



## Sandwell and West Birmingham NHS Trust

### Board Committee Chair's Report

<b>Meeting:</b>	AUDIT & RISK MANAGEMENT COMMITTEE
<b>Chair:</b>	Andrew Argyle
<b>Date:</b>	26 <sup>th</sup> June 2023
<b>Present:</b>	<p><u>Members:</u></p> <p>Mr A Argyle, Non-Executive Director &amp; 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 Dhama, Chief Governance Officer  Ms D McLannahan, Chief Finance Officer</p>

	<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 Singh, Grant Thornton</p> <p>Mr M Gennard, RSM</p> <p>Mr A Hussain, RSM</p> <p>Mr B Vaughan, RSM</p> <p>Ms L Gough, RSM</p> <p>Mr D Conway, Assoc Director of Corporate Governance</p> <p>Ms S Coster, RSM</p> <p>Ms S Rogerson, GGI</p>
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**Key points of discussion**

<b>1.</b>	<b>Midlands Metropolitan University Hospital (MMUH) Risk and Assurance Update Report</b>	
	<p><b><u>Chair’s opinion:</u></b></p> <ul style="list-style-type: none"> <li>• A comprehensive update on the MMUH risk map was presented to inform the Committee on progress since the last report in June 2023.</li> <li>• Whilst the majority of risks remain “red” the progress toward moving toward “amber” was noted, particularly the intensive work around workforce planning. Of note was better collaboration with the “core” organisation.</li> <li>• The Committee noted and agreed the proposal to commission external “Project Assurance Reviews (PAR)” through the Government’s infrastructure team. Ensuring the team selected has the appropriate skill set is key to this work. The terms of reference will be circulated to the Committee.</li> <li>• It was agreed that a further update will be presented in due course, once the PAR work is underway.</li> </ul>	<p>Reasonable Assurance</p>
<b>2.</b>	<b>Overseas Visitors report</b>	
	<p><b><u>Chair’s opinion:</u></b></p> <ul style="list-style-type: none"> <li>• The report provided an overview of the current governance process and key financials for the cost / debt write off for overseas “visitors”</li> <li>• It was agreed that further work is required to benchmark the Trust’s performance and debt recovery mechanisms against other Trusts and to evidence the impact of further controls to be put in place.</li> </ul>	<p>Partial Assurance</p>

	<ul style="list-style-type: none"> <li>A follow up report will be presented in six months to focus on the above.</li> </ul>	
<b>3.</b>	<b>External Auditor's Value for Money Audit</b>	
	<p><b>Chair's opinion:</b></p> <ul style="list-style-type: none"> <li>The external auditors provided a verbal update on progress toward issuing the Value for Money (VFM) commentary report.</li> <li>The process of receiving and collating information from the Trust and working toward an agreed deadline was not satisfactory.</li> <li>It was agreed that the Committee members need sight of the draft report before it is finalised and agree a process to approve remotely.</li> <li>A debrief paper will be prepared by the external auditors on the process and presented to the next Committee to avoid this situation recurring.</li> <li>Recommendation to Board – consider the findings of the debrief report when prepared</li> </ul>	Partial Assurance
<b>4.</b>	<b>Internal Audit report</b>	
	<p><b>Chair's opinion:</b></p> <ul style="list-style-type: none"> <li>The internal auditors provided an overview of the amended work plan to concentrate on the key risk areas faced by the Trust.</li> <li>Progress against outstanding action points was noted. The Committee requested that any further delays in receiving information both in respect of previous actions and which are preventing the completion of audits in progress are escalated on a timely basis.</li> <li>The findings of the report on digital security and processes were considered and the actions taken by the Trust noted.</li> <li>Recommendation to Board – important to ensure IT/ cyber policies and procedures are up to date and work proceeds quickly to clear the audit recommendations.</li> </ul>	Partial Assurance
<b>5.</b>	<b>Counter Fraud report</b>	
	<p><b>Chair's opinion:</b></p> <ul style="list-style-type: none"> <li>Received and noted</li> <li>A discussion about the importance of enforcing basic controls and best practice exception reporting using data analysis tools was held. The auditors will support further focus in these areas.</li> </ul>	Reasonable Assurance
<b>6.</b>	<b>Board Assurance Framework report</b>	

	<p><b><u>Chair's opinion:</u></b></p> <ul style="list-style-type: none"> <li>Received and good progress in this area noted.</li> <li>It was agreed that the next step will be to move clearly link sub- committee papers to the risk areas they seek to mitigate.</li> </ul>	Reasonable Assurance
7.	Progress report on Overpayments	
	<p><b><u>Chair's opinion:</u></b></p> <ul style="list-style-type: none"> <li>Received and noted.</li> <li>Agreed to maintain a summary report in this area and review exception reporting / controls over the different underlying payroll systems.</li> </ul>	Reasonable Assurance
8.	Governance pack	
	<p><b><u>Chair's opinion:</u></b></p> <ul style="list-style-type: none"> <li>Received and noted.</li> </ul>	Reasonable Assurance
9.	DSPT Audit actions update	
	<p><b><u>Chair's opinion:</u></b></p> <ul style="list-style-type: none"> <li>Received and noted the effort underway to deal with the internal audit findings as noted above.</li> </ul>	Reasonable Assurance
<b>Positive highlights of note</b>		
<ul style="list-style-type: none"> <li></li> </ul>		
<b>Matters of concern or key risks to escalate to the Board</b>		
<ul style="list-style-type: none"> <li>Value for money audit process and general delays in auditors receiving information</li> <li>Ensure work on updating IT / cyber policies and procedures is completed and appropriately resourced</li> <li>Consider approach to exception reporting with auditor support to improve controls and reduce manual effort</li> </ul>		
<b>Matters presented for information or noting:</b>		

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**Decisions made:**

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**Actions agreed:**