



## Sandwell and West Birmingham NHS Trust

### Board Committee Chair's Report

<b>Meeting:</b>	AUDIT COMMITTEE
<b>Chair:</b>	Andrew Argyle
<b>Date:</b>	6 <sup>th</sup> March 2024
<b>Present:</b>	<p><u>Members:</u>            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            Mrs V Taylor, Non-Executive Director            Mr J Sharma, Assoc Non-Executive Director            Mr M Hallisey, Assoc Non-Executive Director (apologies)            Mr A Ali, Assoc Non-Executive Director            Mr A Singh, Assoc Non-Executive Director</p> <p><u>In attendance:</u>            Miss K Dhami, Chief Governance Officer</p>

\* See below for assurance classification

	<p>Mr S Sheppard, Acting Chief Finance Officer</p> <p>Mrs R Barlow, Managing Director MMUH Programme Company</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 Gennard, RSM</p> <p>Mr A Hussain, RSM</p> <p>Mr B Vaughan, RSM</p> <p>Mr D Conway, Assoc Director of Corporate Governance (apologies)</p> <p>Ms S Coster, RSM</p>
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<b>Key points of discussion</b>		
<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>Comprehensive report outlining the project status, levels of assurance and next steps received.</li> <li>Discussion focussed on next phases of risk assessment leading up to planned opening</li> <li>Potential "blockers" reviewed. Focus on bed capacity remains key issue to resolve alongside overall financial pressures.</li> </ul>	Reasonable Assurance
<b>2.</b>	<b>RTT pop ups and patient access policy audit</b>	
	<p><b><u>Chair's opinion:</u></b></p> <ul style="list-style-type: none"> <li>Follow up report to outline management's response and actions to the recent internal audit (and whistleblowing) report</li> <li>Detailed plan including specialist third party support presented and accepted by the committee</li> <li>Understanding of the internal process improvements required and steps to ensure the region and NHSE are comfortable with the final approach</li> <li>Good discussion on the "learnings" from this issue which are common to other issues arising</li> </ul>	Reasonable Assurance
	<b>Consultant Job Planning</b>	

3.	<p><b><u>Chair's opinion:</u></b></p> <ul style="list-style-type: none"> <li>• Management's response to previous internal audit report received and discussed</li> <li>• Clear presentation of the problems identified and the reasons for the slow implementation of the Allocate system</li> <li>• Exec level lead, combined with external support and improved support from HR outlined</li> <li>• Issues around pace, project management capacity, HR support and IT understanding discussed.</li> </ul>	Reasonable Assurance
4.	<p><b>Internal Audit Plan 2023/24 - Progress Report</b></p> <p><b><u>Chair's opinion:</u></b></p> <ul style="list-style-type: none"> <li>• Report received. Good progress in clearing outstanding points noted.</li> <li>• Discussion on internal audit "opinion" for the year given the number of "red" reports. Acceptance that management's decision to focus work on difficult areas was the right decision and consequently if responses are quick and followed through, this should not impact unduly on the opinion.</li> <li>• IA report received on sickness leave policy. Similar issues around systems, pace, HR support. Agreed that HR director would join the next AC to update on how these problems are being addressed across the organisation.</li> <li>• Positive report on finance and budgeting. Compliments to the team.</li> </ul>	Reasonable Assurance
5.	<p><b>Counter Fraud Progress Report</b></p> <p><b><u>Chair's opinion:</u></b></p> <ul style="list-style-type: none"> <li>• Report received and noted.</li> <li>• Discussion on specific cases and length of time to investigate. It was agreed to provide more information / context so the committee can better assess whether progress is sufficient.</li> <li>• 2024 / 2025 workplan deferred to next AC</li> </ul>	Reasonable Assurance
6.	<p><b>External Audit Plan 2023-24</b></p> <p><b><u>Chair's opinion:</u></b></p> <ul style="list-style-type: none"> <li>• Audit plan received and discussed.</li> <li>• Impact of new accounting standard on revaluations outlined and impact on trust understood.</li> <li>• Importance of end May deadlines and improved communication plan between Trust and auditors emphasises. Good progress to date.</li> </ul>	Reasonable Assurance
7.	<p><b>Trust update on Annual Report recommendations</b></p>	

	<p><b>Chair's opinion:</b></p> <ul style="list-style-type: none"> <li>• Comprehensive report summarising management actions against the last two VfM reports received for discussion.</li> <li>• Format and content useful to monitor progress and report to auditors</li> <li>• Discussion about resource required to update policies and implement new software</li> <li>• Critical working document to make progress against the VfM metrics</li> </ul>	<p>Reasonable Assurance</p>
8.	<p><b>Draft Accounting Policies 2023-24</b></p> <p><b>Chair's opinion:</b></p> <ul style="list-style-type: none"> <li>• Received and noted</li> </ul>	<p>Substantial Assurance</p>
9.	<p><b>Standing Financial Instruction Amendments</b></p> <p><b>Chair's opinion:</b></p> <ul style="list-style-type: none"> <li>• Received and consistency with other Trusts noted</li> <li>• Internal audit will continue to monitor</li> </ul>	<p>Substantial Assurance</p>
<p><b>Positive highlights of note</b></p>		
<ul style="list-style-type: none"> <li>• Management response to two recent negative internal audit reports</li> <li>• Early indications of better Trust / External audit working relationship</li> <li>• Clear summary of VfM actions</li> </ul>		
<p><b>Matters of concern or key risks to escalate to the Board</b></p>		
<ul style="list-style-type: none"> <li>• Common issues arising from negative internal audit work</li> <li>• More rigorous project management support and realism about resource requirements to implement and maintain systems</li> <li>• Continued focus on updating policies</li> <li>• Write off of BCC debt highlights the importance of considering how to work with local authority and other partners to achieve length of stay / bed objectives – critical for MMUH</li> </ul>		
<p><b>Matters presented for information or noting:</b></p>		

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**Decisions made:**

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**Actions agreed:**