

Board of Directors – Open

Date:

10 June 2020

Item Ref:

17a

TITLE OF PAPER	Audit & Risk Committee Summary Report to the Board of Directors in respect of Significant Issues
TO BE PRESENTED BY	Ms. Ann Stanley, Chair – Audit & Risk Committee Non-Executive Director
ACTION REQUIRED	For assurance and to note.

OUTCOME	To provide assurance to the Board that the Audit & Risk Committee has discharged its duties as directed by the agreed terms of reference by the timely reporting of items of significance discussed at the meeting held on 28 May 2020. To note the issues raised and receive assurance that the committee will action the resulting issues as appropriate.
TIMETABLE FOR DECISION	None required.
LINKS TO OTHER KEY REPORTS / DECISIONS	Minutes of the committee.
STRATEGIC AIM STRATEGIC OBJECTIVE BAF RISK NUMBER & DESCRIPTION	Aim 1 Quality & Safety A101 – Effective governance, quality assurance and improvement will underpin all we do A101III Trust governance systems are not sufficiently embedded which may reduce the effective means by which executive directors can consistently and continually be held to account for the delivery of sound strategies, effective management of risk and the quality of service provided by the organisation
LINKS TO NHS CONSTITUTION /OTHER RELEVANT FRAMEWORKS, RISK, OUTCOMES ETC	Trust Board Assurance Framework NHS Audit Framework
IMPLICATIONS FOR SERVICE DELIVERY & FINANCIAL IMPACT	Timely reporting to the Board of Directors
CONSIDERATION OF LEGAL ISSUES	None required.

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Author of Report	Ann Stanley
Designation	Chair – Audit & Risk Committee
Date of Report	June 2020

Audit & Risk Committee Significant Issues Report

1. Purpose

For approval	For assurance	For collective decision	To seek input	To report progress	For information	Other (Please state)
				X	X	
To report in a timely manner, items of significance discussed at the Audit & Risk Committee meeting held on 28 May 2020.						

2. Summary

Audit & Risk Committee – 21 April 2020

The committee approved the notes of the Audit & Risk Committee meeting held on 21 April 2020 for receipt at the June Board of Directors' meeting and these are attached for the Board's awareness.

Board members will receive the minutes of the Audit & Risk Committee meeting held on 28 May 2020 in due course, however, at the end of the meeting, the committee agreed by means of this report to notify Board members of the following significant issues:

Final 2019/20 Head of Internal Audit Opinion Statement

The committee received the final 2019/20 Head of Internal Audit Opinion Statement, which confirmed a **Moderate Assurance** rating for the year that there is a generally sound framework of governance, risk management and control, however, inconsistent application of controls puts the achievement of the organisation's objectives at risk.

Noted that in providing this opinion, the following three areas are considered:

- Board Assurance Framework and strategic risk management;
- Internal audit plan out-turn;
- Follow-up of internal audit actions.

2019/20 360 Assurance Internal Audit Service Annual Report

The committee noted receipt of the 360 Internal Audit Service Annual Report for the year 2019/20, providing a summary of the work undertaken in-year and provides an assessment of compliance with the agreed key performance indicators.

2019/20 360 Assurance Counter Fraud, Bribery & Corruption Annual Report & Self-Review Tool

The committee noted receipt of the Counter Fraud, Bribery & Corruption 2019/20 Annual Report, together with the completed self-review tool. Members noted the overall green rating, with two areas rated amber and noted for future improvement.

The committee Chair and Executive Director of Finance agreed to authorise the submission of the self-review tool assessment to NHSCFA on behalf of the Trust.

External Audit Progress Update

The committee received an update from the Trust's external audit provider, KPMG, on the delivery of the financial statements audit. Members were advised that it is likely, following consideration of the CQC findings, that a qualified opinion will be given on the Value for Money element of the audit plan, specifically around risk A101i failure to meet regulatory standards (registration and compliance). A final opinion will be received at the committee's meeting in June.

Register of Interests / Register of Hospitality, Sponsorship and Gifts

The committee received details of the Register of Interests and Sponsorship for the year 2019/20 and were duly assured regarding the presence of a robust process for recording such declarations.

It was noted that no declarations were noted in respect of hospitality, sponsorship and gifts and the committee requested assurance/confirmation that this element of the policy is in place and followed up as part of this process.

Self-Certification Against Conditions G6, CoS7 and FT4 within the Provider Licence – Corporate Governance Statement

Following consideration of the proposed declarations prepared by the Director of Corporate Governance/Board Secretary, in respect of the above Provider Licence conditions, the committee approved G6 statement for submission in accordance with the Board's delegated powers agreed at May's Board meeting. received and endorsed CoS7 and FT4 for approval at the June Board of Directors' meeting. Agreed that this would be covered under a separate agenda item at the Board meeting.

Well-Led Developmental Plan

The committee noted and were assured by the proposed Well-Led Developmental Plan presented by the Director of Corporate Governance/Board Secretary. They noted the establishment of a number of workstreams and identification of the actions required to respond to the CQC assessment of well-led at the trust-wide level.

It was confirmed that this will also be received at the June meeting of the Board of Directors.

3 Next Steps

The above items will be taken forward by the committee as appropriate and to timescales agreed via the action log.

4 Required Actions

For the Board of Directors to:

- Note the issues raised and receive assurance that the committee will action the resulting issues as appropriate.

5 Monitoring Arrangements

Through the Audit & Risk Committee.

6 Contact Details

For further information please contact:

Ann Stanley,
Chair – Audit & Risk Committee
Non-Executive Director

Audit & Risk Committee (ARC)

ARC 28.05.20
Item 04

Notes of the Audit & Risk Committee meeting held on Tuesday, 21 April 2020 At 1.00 p.m. – Skype Teleconference Meeting

On the teleconference:

- Present:** Mrs. Ann Stanley, Non-Executive Director, Chair: Audit & Risk Committee
 Ms. Sandie Keene, Non-Executive Director, Chair: Quality Assurance Committee
 Mr. Richard Mills, Non-Executive Director, Chair: Finance & Performance Committee
- In Attendance:** Mr. Clive Clarke, Interim Chief Executive (part meeting)
 Mr. Phillip Easthope, Executive Director of Finance
 Mr. David Walsh, Director of Corporate Governance/Board Secretary
 Mr. James Sabin, Deputy Director of Finance
 Ms. Samantha Harrison, Governance Consultant
 Ms. Leanne Hawkes, Deputy Director, 360 Assurance
 Ms. Lianne Richards, Client Manager, 360 Assurance
 Mr. Craig Bevan-Davies, Asst Director of Anti-Crime, 360 Assurance
 Mr. Rashpal Khangura, Director, KPMG

Mrs. Jeanine Hall, PA (minutes)

Apologies: Mr. Robert Purseglove, Principal Anti-Crime Specialist

No	Item	Action
ARC 01/04/2020	Agree Meeting Behaviours As the meeting was to be held via Skype teleconference arrangements, prior to the commencement of formal business, members agreed meeting etiquette to ensure that agenda items received the appropriate level of discussion and consideration, and that members could contribute to the discussion/ask questions as necessary.	
ARC 02/04/2020	Welcome & Apologies for Absence The Chair welcomed members to the Audit & Risk Committee and apologies noted.	
ARC 03/04/2020	Declaration of Interests None.	
ARC 04/04/2020	Notes of the meeting held on 21 January 2020 The notes of the meeting held on 21 January 2020 were agreed as an accurate record and would be received at the May 2020 Open Board of Directors' meeting for information.	
ARC 05/04/2020	Matters Arising & Action Log Members noted the actions from the previous meeting and updated the action log accordingly. Note was made of the following: <u>11/07/19 & 17/10/20 Information Governance Requirements (ARC) & ARC Self-Assessment – Consideration of Third Party Assurances</u> The Chair acknowledged that further work was required to determine how ARC will receive the relevant assurances in both these areas and received assurance that this work is being progressed.	Action Log

	<p><u>11/07/19 Board Committee - Review of Reporting Sub Groups/Alignment of ToRs</u> Following the recent changes to committee structure and the removal of the Executive Directors' Group from the decision-making structure, a clear understanding of the responsibilities of each committee is crucial (i.e. operational or assurance based); that the relevant reports required to meet these responsibilities are provided and that this is done in a timely manner. Ms. Harrison assured the Chair that this work was progressing at the appropriate pace.</p> <p>Mr. Easthope confirmed that presently the only change to the current Standing Financial Instructions; Standing Orders etc, following this recent change is the removal of the Executive Directors' Group from financial decision-making and policy ratification responsibilities. There has been no change to the individual decision-making responsibilities of the individual members of the Executive. He felt there was a need for discussion at Finance & Performance Committee regarding the future role of Business Planning Group in the revised arrangements.</p> <p>NED members acknowledged that work was being undertaken to finalise these changes and stressed the need for clarity regarding changes in expectations, accountabilities and/or responsibilities of Board committees as soon as possible.</p> <p><u>10/01/20 Emergency Planning, Resilience & Response</u> The Chair advised that in the current circumstances a decision had been taken to defer the regular update received from the Trust's EPRR Officer. She noted that in April the Board received a comprehensive update on the Trust's response to Covid by way of assurance and that further discussion regarding specific Covid risk would take place under items 16 and 17 of the agenda.</p> <p>Agreed that a general EPRR update would be scheduled for July but that required content of this report would be reviewed prior to confirmation of agenda and other priorities at that time.</p> <p><u>11/01/20 2019/20 Annual Report & Accounts Production Timetable</u> Members were aware of the timetable changes due to current circumstances and noted that the need for two elements of the Annual Report had been removed (Quality Account and performance analysis). Ms Harrison confirmed that work was progressing on the compilation of the report in line with revised guidance and taking account of comments made at previous ARC meetings regarding the format of the report. Revised submission dates have been confirmed, which will require an additional ARC meeting (and EO Board of Directors) to be scheduled in June to sign off relevant documents and arrangements are being made for this additional meeting to be confirmed in diaries.</p>	Action Log
ARC 06/04/2020	<p>360 Assurance Internal Audit Service</p> <p>i. <u>Progress Report April 2020</u> Ms. Richards advised that the report identifies the work completed against the 2019/20 plan since their last update and noted that two further reports had been issued since the last meeting.</p> <p>Data Quality Framework: Significant Assurance Two medium and four low risk findings</p> <p>Medium risk findings being: <i>Data quality may not receive appropriate senior management review and scrutiny.</i></p> <p><i>Trust-wide and team level performance against the sickness absence indicator may not be wholly accurate in the absence of timely completion of the relevant forms.</i></p>	

Policy Monitoring – Sharing Best Practice: Client wide piece of work.

Ms. Richards noted that delays had been experienced in completing the CQC Action Plan Assurance work and, following discussion with Trust officers, it was agreed to conclude the audit based on the limited testing completed and the report is currently being drafted. Following a query from Ms. Keene, Ms. Richards provided a brief background to some of the delays encountered. Mr. Easthope acknowledged that a number of the areas identified in this audit are repeat areas and that the delay in implementing the action plan was not acceptable.

At this point in the meeting Ms. Richards advised that a request had been received to defer the Asset Register audit which was planned for Q4 2019/20 to Q2 2020/21 and asked for the committee's approval of this request. The committee approved this deferral.

In terms of completion rate based on first follow-up, it was noted that this stood at 59% at year-end. However, it had been accepted that the Covid situation had impacted on the Trust's ability to respond to recommendations during March and the position at the end of February 2020 (61%) had been utilised to inform the Head of Internal Audit Opinion Statement. One of the current outstanding actions was a high-risk action relating to the CAS Alerts audit and Ms. Richards confirmed that Internal Audit were working with the Trust to provide the necessary evidence regarding progress in this matter.

It was acknowledged that overall achievement of actions at February stood at 91%, noting that completion of actions had improved, however, the timeliness needed to be and is being addressed.

The Chair noted that this committee have consistently challenged the implementation of agreed actions through EDG and following the change in governance structure questioned whether this challenge should be directed to the relevant Executive lead and where the oversight of the action tracker will take place. An assurance was given that this oversight is being maintained by Executive leads and the change to process will be clearly communicated.

Ms. Richards confirmed that the Internal Audit Team have provided an update on their response to Covid-19 and that the situation is being reviewed on an on-going basis to ensure they can provide the most appropriate support and advice to the Trust.

Members noted receipt of the progress report.

ii. Interim 2019/20 Head of Internal Audit Opinion Statement

The meeting then went on to consider the interim 2019/20 Head of Internal Audit Opinion Statement. Ms. Hawkes advised that the draft opinion is one of Moderate Assurance and confirmed that in providing this opinion they consider three key themes:

- Board Assurance Framework and strategic risk management: recognising the consistent reporting in-year but that arrangements put in place once issues have been identified have not progressed as intended to reduce risk/improve control;
- Internal Audit Plan out-turn: whilst the majority of core reviews have resulted in significant assurance ratings, a range of themes have arisen from the work in terms of quality and information governance;
- Follow up of internal audit actions and consideration of implementation rate.

Ms. Hawkes confirmed that they had been provided with a copy of the CQC Section

PE/DW

	<p>29a warning notice which had been taken into consideration as part of their work around third-party assurances.</p> <p>Ms. Keene questioned whether, given the outcome of this year's internal audit reviews (a high proportion being significant assurance), the content of the CQC notice came as a surprise and what potential action could be taken in terms of internal mechanisms to align the external and internal view. Ms. Hawkes advised that during their work a number of the issues were already known internally but in terms of scoring were low; having increased since. In terms of the governance work done, this was undertaken at a strategic/Board level, whereas the CQC review would have been at all levels of the organisation. There are key areas of learning for all parties and 360 Assurance are currently mapping the CQC outcome onto the work they have undertaken. She also noted that in terms of the Internal Audit Plan core reviews, whilst a large number had resulted in Significant Assurance rating, themes had been identified in terms of quality governance.</p> <p>Members noted receipt of the Interim Head of Internal Audit Opinion Statement and it was confirmed the final statement would be received at the May meeting.</p> <p>iii. <u>Internal Audit Charter</u> Members noted receipt of the 360 Assurance Charter 2020/21 which was presented for information and awareness and Ms. Hawkes confirmed that there had been no significant changes to the Charter since last year.</p> <p>The Chair confirmed that as part of the committee's review of Internal Audit Services, she was pleased to note the high standard of reports received and commended the work undertaken this year.</p>	
<p>ARC 07/04/2020</p>	<p>360 Assurance Draft 2020/21 Internal Audit & Counter Fraud Plan Members noted receipt of the proposed draft 2020/21 Internal Audit & Counter Fraud Plan and it was confirmed that following receipt of the initial draft plan at January's ARC meeting, further consideration had taken place at the Executive Directors' Group regarding key areas, resulting in the plan presented today.</p> <p>It was confirmed that the two major changes from the initial plan were in respect of an inclusion of the governance audit days and the Nutrition & Hydration Audit. It was also noted that delivery of the plan will be dependent upon the current Covid situation and a need to reflect on the formal outcome of the CQC inspection once available.</p> <p>The inclusion of a liberty protection standards audit was noted and absence of a mental capacity act implementation audit. Acknowledging the continued delay in the publication of the liberty protection standards Code of Practice, it was suggested that focus should be on gaining the appropriate assurances regarding current performance in respect of the use of the mental capacity act within the Trust. Mr. Easthope agreed to follow up with Dr. Hunter and advise accordingly. Ms. Hawkes also noted that it was the proposed intention for the liberty protection standards audit to be a client wide piece of work.</p> <p>Mr. Easthope advised that a separate bid for funding has been submitted to NHSi as part of the Covid arrangements in respect of additional resources to address the outcome of the CQC inspection. Part of this bid includes funding for additional audit time. An outcome on this funding request is awaited.</p> <p>Mr. Bevan-Davies outlined the counter fraud element of the plan and confirmed that this was in line with identified local risks and assessment. It was acknowledged that post Covid19, the focus of the counter fraud plan may change and confirmed that this will be continually monitored.</p>	<p>PE</p>

	<p>The Chair noted that although it had previously been agreed that Mr. Purseglove, the Trust's Principal Anti-Crime Specialist, would attend every other ARC meeting, she felt, in the current circumstances, it would be prudent for him to attend all ARC meetings. It was agreed that Mr. Purseglove would be asked to attend all ARC meetings until the end of Covid arrangements.</p> <p>Following due consideration, members agreed the 2020/21 Internal Audit & Counter Fraud Plan in principle, noting that it may be necessary to revisit the plan in-year dependent upon the any additional requirements in respect of Covid and CQC out-turn; and the further consideration regarding the inclusion of MCA compliance following discussion with the Executive Medical Director.</p>	RP
ARC 08/04/2020	<p>KPMG External Audit Interim Audit Report</p> <p>Members noted receipt of the KPMG External Audit progress report which Mr. Khangura explained provided an outline of the reviewed risk assessment and any changes to the planned audit approach in respect of the 2019/20 external audit process.</p> <p>He highlighted the following key points of the interim report:</p> <ul style="list-style-type: none"> • Materiality stands at £2m and is consistent with planning; • The risks in respect of the financial statements audit have remained consistent, however, noting that this element of work remains on-going and there may be further considerations regarding Covid during their assessment of risk. • Property Plant & Equipment – whilst noting that the paper to be received later in the meeting regarding material estimates references property valuations in the light of the pandemic, this does need to be a consideration for the external audit work and once full information has been received this will inform the sector wide approach to this matter. • Going Concern – in the absence of a formally approved 2020/21 Financial Plan for consideration as part of this work, Mr. Khangura advised that an assessment will be undertaken and confirmation provided to the Trust on how this piece of work has been finalised. He confirmed that the approach taken in this respect would be sector wide. <p>In terms of the delivery of the financial statements audit, Mr. Khangura advised that following discussion with Mr. Easthope, it is intended to deliver the audit along the original timelines, acknowledging that the issues noted above may impact on this intention.</p> <p>It was confirmed that the publication of the CQC Report and any subsequent improvement action plan will need to be considered as part of the Value for Money element of the external audit plan. Mr. Khangura confirmed that they will present any findings in this respect in the ISA 260 Report.</p> <p>Mr. Khangura advised the committee that he was pleased with progress to date and that the work was on schedule to deliver their opinion and conclusion in line with plan.</p>	
ARC 09/04/2020	<p>Accounting Policies Review (Revised)</p> <p>Mr. Sabin explained that the paper received by members is provided as a follow up to the report received at committee in January 2020 and reflects recent guidance, particularly in respect of the deferral of the implementation of IFRS16 as a result of Covid and the receipt of the mandated pensions narrative.</p> <p>The committee endorsed the final iteration of the Accounting Policies Review paper.</p>	
ARC 10/04/2020	<p>Losses & Special Payments Full Year Report 2019/20</p> <p>Mr. Sabin presented this annual briefing paper on the losses and special payments made during the year 2019/20. He noted that this was provided for the Committee's</p>	

	<p>attention and assurance in respect of internal controls and to ratify the level of losses and special payments made by the Trust during the period.</p> <p>He advised that the 2019/20 total value of claims showed a decrease in comparison to the previous year and consisted of a small number of small claims and payments made under compromise agreement. It was confirmed that upon review there were no areas of concern regarding internal controls or trends identified.</p> <p>Members noted and ratified this paper.</p>	
ARC 11/04/2020	<p>Material Estimates Paper (Property Plant & Equipment) 2019/20</p> <p>Mr. Sabin presented this item and asked that committee members consider this an early draft of the Trust's intended Material Estimates Paper for the accounting year 2019/20. Whilst members are asked to consider and endorse the methodology utilised by the Trust in determining the carrying value of property, plant and equipment as at the 31 March 2020 and the valuation methodology adopted for provisions and other material estimates, he acknowledged that as previously alluded to the situation in respect of the valuation of NHS estate is subject to some uncertainty due to the on-going pandemic. This has particularly impacted on the approach to the disposal of Fulwood House; where it was previously intended to declare it as an Asset Held for Sale at year-end. This is still the subject of discussion with our external auditors and the final version of this paper received in May will determine the final agreed treatment of Fulwood House.</p> <p>Mr. Sabin also confirmed that the South Yorkshire Pensions declaration information was still awaited and would be incorporated into the final version.</p> <p>Following a comment from Ms. Keene, Mr. Easthope provided an assurance that the Trust does have an asset register but that there is a need to consider further how we record and track use of operational equipment/"assets".</p> <p>Following consideration of the paper, members were happy to endorse the intended current methodology utilised by the Trust in determining the carrying value of property, plant and equipment as at the 31 March 2020 and the valuation methodology adopted for provisions and other material estimates and noted that a final version would be received at the May meeting.</p>	
ARC 12/04/2020	<p>Audit Committee Self-Assessment Process & Timing</p> <p>Mr. Walsh reminded members that the committee had intended to undertake its annual self-assessment process at this meeting via voting button methodology, however, due to Covid and the need to hold today's meeting via teleconference facilities, it was determined that this would not now be appropriate. Recognising that this process was an important part of the committee's remit, alternative arrangements need to be put in place to complete this exercise.</p> <p>Following due consideration, it was agreed that the committee would revert to the paper based questionnaire used in previous years, but would consider the potential to undertake the process again via voting buttons later in the year.</p> <p>Agreed that Jeanine would circulate paper questionnaires to all members for completion and return.</p>	JCH
ARC 13/04/2020	<p>Committee Annual Reports/Significant Issues Papers:</p> <p>i. <u>Draft Audit & Risk Committee</u></p> <p>The committee noted receipt of the draft Audit & Risk Committee Annual Report for the year ending March 2020, for further consideration. The inclusion of development objectives was welcomed by members together with the focus on the Committee's assurance role and any assurance gaps identified going forward.</p>	

	<p>Ms. Harrison advised that the draft ARC report incorporates the draft narrative for inclusion in the Trust's overall Annual Report, which will be finalised once all final information is available.</p> <p>Members were pleased to accept the draft ARC report, noting that the publication of the CQC Report may result in the realignment of objectives but would be reflected as necessary in the final version received at Board.</p> <p>ii. <u>Quality & Assurance Committee</u> iii. <u>Workforce & Organisation Development Committee</u> iv. <u>Finance & Performance Committee</u> v. <u>Remuneration & Nominations Committee</u></p> <p>The committee noted receipt of the Annual Reports from the other Board committees which would be incorporated into one formal report for presentation to the Board in May.</p> <p>The Chair thanked colleagues for enabling the receipt of these reports and reiterated the welcome inclusion of detailed objectives. She acknowledged that a key piece of work going forward will be how the committees report between themselves as Board committees and that this will be a piece of development work to be informed by the detail in the CQC Report.</p>	
<p>ARC 14/04/2020</p>	<p>Draft 2019/20 Annual Governance Statement (AGS)</p> <p>Members received the draft 2019/20 Annual Governance Statement which Ms. Harrison confirmed had now been updated to reflect the CQC Section 29a letter and aligned to the appropriate narrative in the report, but accepted that the final report may need further amendment if publication of the CQC report occurs within the submission timeline. The statement has also been updated to reflect the fact that the Quality Report is now no longer part of the wider Annual Report & Accounts.</p> <p>The submission date has also been confirmed following changes imposed as a result of Covid, with the statement to be submitted on 25 June.</p> <p>Ms. Harrison reported that the key area for the committee to consider was the declarations relating to significant control issues, considering the current position of still awaiting the formal CQC Report, and whether the current CQC feedback constitutes significant control issues. Following brief discussion, it was felt important that as the interim CQC findings are known, this is acknowledged in the report together with the control issues identified, however, if necessary the statement needs to acknowledge that the final CQC Report is awaited and this may change the position. Ms. Harrison confirmed that the statement already includes those issues identified through receipt of the Section 29A letter and the Chair confirmed that she was happy that the reflection of these within the draft statement.</p> <p>The Chair questioned whether the AGS should include the one outstanding high risk in respect of CAS Alerts as recommended in the interim Head of Internal Audit Opinion Statement. Ms. Harrison agreed to incorporate this into the final report.</p> <p>Mr. Easthope asked that consideration be given to amending section 4.1 in respect of significant assurance, to include the detail of the risks identified during the audit process. Also, with regards to the overall view and opinion under the section "level of control risk", he felt there needed to be some alignment and consistency with the Head of Internal Audit Opinion Statement and external assurance pieces.</p> <p>Agreed that a further update will be made to the current draft and a further version will be received at the May meeting at which point the CQC report may have been published to inform the content further. The Chair requested early sight of the next draft AGS to assist in members' consideration of the content.</p>	<p>SH</p> <p>SH</p> <p>SH</p>

<p>ARC 15/04/2020</p>	<p>Self-Certification Against Conditions G6; CoS7 and FT4 within the Provider Licence – Corporate Governance Statement</p> <p>Members received the current draft self-certification statements and Ms. Harrison advised that there were currently two different submission dates for the separate statements; G6 being due for submission on 31st May and CoS7 and FT4 at the end of June.</p> <p>It was noted that the declaration on these statements will be impacted by the CQC report findings and at this stage, based on what is currently known, no declaration has been made on the Trust’s compliance in respect of G6 and FT4. It is, however, proposed to confirm compliance with CoS7.</p> <p>Members agreed that it was important to have a clear understanding of the impact of the CQC rating on this submission and subsequent impact on the Trust’s provider licence. It was also agreed the AGS needs to be finalised prior to sign-off of these statements. Ms Harrison agreed to follow up initial enquiries regarding this matter.</p> <p>It was agreed that further versions of these statements will be received at the May ARC meeting and that virtual approval of the Board will be sought for G6 statement which is due for submission on 31st May 2020. The further two statements are due for submission in line with the Annual Governance Statement and can be received at the June Board meeting for approval prior to submission.</p>	<p>SH</p>
<p>ARC 16/04/2020 & ARC 17/04/2020</p>	<p>2019/20 Board Assurance Framework (BAF) / 2019/20 Corporate Risk Register (CRR)</p> <p>The committee noted that this was the final receipt of the 2019/20 Board Assurance Framework and Corporate Risk Register.</p> <p>Mr. Walsh confirmed that development of the 2020/21 BAF has commenced and that the BAF risks are being refined following recent discussions at Board in respect of revised aims and objectives.</p> <p>Mr. Walsh advised that the CRR has a Covid19 entry, although a separate Covid Risk Register has been put in place for the risks associated with the current pandemic and this is being further developed. The day to day oversight of this additional risk register is maintained at Silver Command with review at Gold Commence. It was agreed there needs to be careful consideration given to how this register is used and managed in conjunction with the other register, especially to determine any specific areas of strategic focus but that ARC is not the forum for that discussion. It was also confirmed that there needs to be Board oversight of the Covid Risk Register but that monthly receipt will only provide an indication of the position at a point in time and that this process required further thought.</p> <p>Ms. Keene advised that the Quality Assurance Committee was due to receive a summary of the QIA submissions in respect of actions taken in response to Covid.</p> <p>In terms of the BAF received at today’s meeting, the Chair acknowledged that ARC is receiving this prior to being received at all committees, due to timing issues. She also noted the inclusion of target risk scores reflecting risk appetite as requested. As a result of today’s discussion, there is an identified need to understand the links between the Covid19 Risk Register, BAF and CRR, advising that the Covid19 Risk Register be received at Board on a monthly basis, however, there is a need for it to be owned at committee level.</p> <p>The Chair recommended that in the current circumstances, the CRR and Covid19 Risk Register should be received at the Board on a monthly basis, and that the governance processes surrounding the BAF should be reviewed as part of the development of the 2020/21 BAF. There was general agreement on this</p>	<p>DW</p>

	<p>recommendation.</p> <p>Members noted receipt of the final 2019/20 BAF and CRR.</p>	
<p>ARC 18/04/2020</p>	<p>Freedom to Speak Up (FTSU) Bi-Annual Report (Quarter 3 & 4 September 2019 to March 2020)</p> <p>The committee received and noted the FTSU bi-annual report prepared by Ms. Fowler, the Trust's Freedom to Speak Up Guardian.</p> <p>Members were pleased to note the assurances provided in the report, particularly relating to the improvement of the responsiveness of FTSU processes as well as the development of a Standard Operating Procedure which is currently out to consultation.</p>	
<p>ARC 19/04/2020</p>	<p>SO/SFI Waiver Requests:</p> <p>Members noted receipt of four single tender waivers approved by the Executive Director of Finance or Deputy Chief Executive in respect of:</p> <ol style="list-style-type: none"> i. CTW19/20-06 Installation of Britplas Fortress Anticlimb Fencing ii. CTW19/20-07 Continued Engagement of Listening into Action iii. CTW19/20-08 Video Interactive Guidance (VIG) Training iv. CTW19-20-09 Placement Pilot Project – Sheffield Hallam University <p>The committee noted receipt for information of the four single tender waivers which had been approved by the Executive Director of Finance and Deputy Chief Executive since the last meeting.</p> <p>Mr. Sabin provided the background to item iv above in response to a query from Ms. Keene.</p> <p>Mr. Khangura left the meeting at this point.</p> <p>The Chair noted the apparent increase in numbers of single tender waivers being approved and by way of assurance Mr. Sabin advised that the detail of tenders issued is included on the Procurement dashboard within the Finance Report received by Finance & Performance Committee. It was suggested that this is picked up through FPC.</p>	
<p>ARC 20/04/2020</p>	<p>Significant Issues Report</p> <p>The Chair noted the following for the Significant Issues Report, which she asked to be received at Confidential Board:</p> <ul style="list-style-type: none"> • 360 Assurance Internal Audit Progress Report • 360 Assurance Interim 2019/20 Head of Internal Audit Opinion Statement • 360 Assurance Draft 2020/21 Internal Audit & Counter Fraud Plan • KPMG External Audit Interim Audit Report • Accounting Policies Review 2019/20 • Losses & Special Payments Full Year Report 2019/20 • Material Estimates Paper (Property Plant & Equipment) 2019/20 • Board Committees – Annual Assurance Reports • Trust Self-Certification Against Conditions G6, CoS7 and FT4 against Provider Licence • 2019/20 Draft Annual Governance Statement • Board Assurance Framework/Corporate Risk Register • Freedom to Speak Up Bi-Annual Report <p>Agreed that the Chair would review the committee timetable outside of the meeting with the committee administrator.</p> <p>As this was likely to be Samantha Harrison's final Audit & Risk Committee meeting, following David Walsh's commencement in post, the Chair thanked her for her contribution to the meeting over the last few months.</p>	

Date and time of next meeting:

Thursday, 28 May 2020 @ 1.00 p.m. Committee Room 1, Fulwood House/MS Teams

Apologies to: *Jeanine Hall, PA to Chief Executive & Executive Director of Finance*

Tel 2716716; email Jeanine.hall@shsc.nhs.uk

06 May 2020 Approved AS