

## Board of Directors Meeting - Open

Date: 11 November 2020

Item Ref: 18a

<b>TITLE OF PAPER</b>	<b>Audit &amp; Risk Committee – 20 October 2020 Summary Report to the Board of Directors in respect of Significant Issues</b>
<b>TO BE PRESENTED BY</b>	Mrs. Sandie Keene, Non-Executive Director (obo Audit & Risk Committee)
<b>ACTION REQUIRED</b>	For assurance and to note.

<b>OUTCOME</b>	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 20 October 2020.  To note the issues raised and receive assurance that the committee will action the resulting issues as appropriate.
<b>TIMETABLE FOR DECISION</b>	None required.
<b>LINKS TO OTHER KEY REPORTS / DECISION</b>	Minutes of the committee.
<b>STRATEGIC AIM STRATEGIC OBJECTIVE</b>	Aim 2 Create a Great Place to Work CQC Getting Back to Good
<b>BAF RISK NUMBER &amp; DESCRIPTION</b>	BAF.0002 There is a risk the Trust does not deliver on its Well Led Development Plan. This would result in a failure to meet the regulatory framework, get back to good and a failure to remove additional conditions placed on the Trust's Provider Licence.
<b>LINKS TO NHS CONSTITUTION /OTHER RELEVANT FRAMEWORKS, RISK, OUTCOMES ETC</b>	Trust Board Assurance Framework NHS Audit Framework
<b>IMPLICATIONS FOR SERVICE DELIVERY &amp; FINANCIAL IMPACT</b>	Timely reporting to the Board of Directors
<b>CONSIDERATION OF LEGAL ISSUES</b>	None required.

<b>Author of Report</b>	Ann Stanley
<b>Designation</b>	Chair – Audit & Risk Committee
<b>Date of Report</b>	October 2020

## Audit & Risk Committee – 20 October 2020

### Significant Issues Report

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#### 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 20 October 2020.						

#### 2. Summary

##### Audit & Risk Committee – 20 October 2020

The committee approved the notes of the Audit & Risk Committee meeting held on 21 July 2020 for receipt at the November Board of Directors' meeting – attached at appendix A.

Board members will receive the minutes of the Audit & Risk Committee meeting held on 20 October 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:

##### Board Assurance Framework 2020/21

The committee received the Board Assurance Framework and noted that there was still an element of work in progress for 20/21. The Committee then reviewed the specific risks assigned to it, in line with its remit (BAF risks 0002 and 0008)

Following consideration, the Committee requested that the assurance level being reported against BAF.0008 be amended from green to amber.

*BAF.0008 There is a risk that patient safety and clinical practice/effectiveness is adversely affected by a technical architecture that is increasingly fragile. This will lead to increasing down time across the network and the need to take key systems offline to maintain the status quo.*

This was in the light of delays to the Insight 2 upgrade, data breaches and delays to the EPRS business case sign off. It was agreed that these gaps in assurance should be articulated on the BAF with clear actions on how the gaps would be addressed with appropriate timescales.

##### 360 Assurance Stage 1 Head of Internal Audit Opinion Work

The committee received the Stage 1 Report of the 2020/21 Head of Internal Audit Opinion Statement, noting that two medium and four low risk actions have been identified. Whilst action is being taken by us to address these risks, they will be followed up by 360 Assurance as part of the Stage 2 review. The medium risks identified were:

- Outstanding BAME staff risk assessments not published
- Operation of the BAF did not include appropriate actions and timescales.

### External Audit Progress Report & Identification of Key Risks for 2020/21 Plan

The committee received an update from KPMG in respect of the work being undertaken in preparation for the 2020/21 annual audit. It was confirmed that, as part of the Value For Money element of the audit process, in light of the CQC inadequate rating and last year's qualified VFM opinion, financial sustainability and the Trust's response to the inadequate CQC rating are likely to be risks that will be considered in more detail during this year's process. Further detail of the plan will be received at the January meeting.

### Freedom to Speak Up Bi-annual Report 2020/21

The committee received the bi-annual report from the Freedom to Speak Up Guardian and were assured by the FTSU processes now in place; as well as the level of engagement with and visibility of the FTSU Guardian. Members were pleased to note the improvement in response times to issues that are raised.

The committee also noted the need to ensure good integration between the People Committee and FTSU, as well as related issues such as Staff Survey and the Big Conversation.

### Information Governance & Assurance

The committee received an update in respect of recent information governance/security breaches specific to Insight missing documentation and were assured regarding the investigative action that has taken place to determine route cause and subsequent mitigation. Relevant Audit & Risk Committee paper attached at appendix 1.

## **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;
- the approved notes of the Audit & Risk Committee meeting held on 21 July 2020;

## **5 Monitoring Arrangements**

Through the Audit & Risk Committee.

## **6 Contact Details**

For further information please contact:

Mrs. S. Keene, Non-Executive Director – Member of Audit & Risk Committee  
Mr. R. Mills, Non-Executive Director – Member of Audit & Risk Committee  
Mr. P. Easthope, Executive Director of Finance

# Audit & Risk Committee (ARC)

Appendix A

Notes of the Audit & Risk Committee meeting held on Tuesday, 21 July 2020  
At 1.00 p.m. – Microsoft Teams 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. Phillip Easthope, Executive Director of Finance  
Mr. David Walsh, Director of Corporate Governance/Board Secretary  
Mr. Clive Clarke, Interim Chief Executive (for item 12)  
Mr. Terry Geraghty, Emergency Planning Officer (for item 12)  
Mr. Tim Thomas, Director, 360 Assurance  
Ms. Lianne Richards, Client Manager, 360 Assurance  
Mr. Rashpal Khangura, Director, KPMG  
Mrs. Jeanine Hall, PA (minutes)

- Apologies:** Mr. James Sabin, Deputy Director of Finance  
Ms. Leanne Hawkes, Deputy Director, 360 Assurance  
Mr. Robert Purseglove, Principal Anti-Crime Specialist

No	Item	Action
ARC 01/07/2020	<b>Agree Meeting Behaviours</b> As the meeting was to be held via MS Teams arrangements, the Chair reaffirmed 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 02/07/2020	<b>Welcome &amp; Apologies for Absence</b> The Chair welcomed members to the Audit & Risk Committee and apologies noted.	
ARC 03/07/2020	<b>Declaration of Interests</b> None.	
ARC 04/07/2020	<b>Notes of the meeting held on 23 June 2020</b>  (Page 4) ARC 10/06/2020 KPMG External Audit Annual ISA 260 Report ..... Responsibilities of External Audit under <u>International</u> Audit Standard 260 .....  Following this amendment, the notes of the meeting held on 23 June 2020 were agreed as an accurate record and would be received at the August 2020 Open Board of Directors' meeting for information.	
ARC 05/07/2020	<b>Matters Arising &amp; Action Log</b> Members noted the actions arising from previous meetings and updated the action log accordingly. Specific note was made of the following:  <u>05/06/2020; 06/05/2020 CoVid19 Governance Briefing – Good Practice</u> The Chair confirmed that the requested overview of the Trust's finance function measured against the good practice guide had been received at the June meeting	

	<p>of the Finance &amp; Performance Committee and that this action was now considered closed.</p> <p><u>05/06/2020; 16/05/2020 ARC Self-Assessment Outcome: Receipt of Committee Significant Issues Reports</u></p> <p>Mr. Walsh confirmed that consideration has been given to giving greater prominence to committee significant issues reports on the Board agenda, rather than being grouped with the minutes which are received for information/awareness, and that alternative arrangements will be in place for August's meeting.</p> <p><u>06/06/2020 360 Assurance – CQC Action Plan Assurance Audit</u></p> <p>Ms. Keene confirmed that she had asked for this item to be included on the Quality Assurance Committee agenda and agreed to report back to the next ARC meeting.</p> <p>It was agreed that, following today's meeting, all current actions on the ARC action log were now completed.</p>	
<p><b>ARC</b> <b>06/07/2020</b></p>	<p><b>360 Assurance Internal Audit Progress Report</b></p> <p>Ms. Richards confirmed the key messages since the last meeting, noting that although the service has continued to operate throughout the CoVid19 pandemic, inevitably service delivery has been impacted. The audit team have continued to liaise with the Trust and changes to the plan are proposed which will be considered under the next agenda item.</p> <p>She confirmed that two final reports have been issued (CQC Action Plan Assurance and CQC Local Systems Review Action Plan) which were both discussed at the last meeting, and that the final stages of testing for the 2019/20 Accounts Payable Audit are being undertaken, the completion of which will conclude the work related to the 2019/20 plan.</p> <p>Work has commenced on two audits in the 2020/21 plan including a Phishing Campaign. The outcome report from this audit is in the final draft stage and indicates a higher level of response within SHSC than in other Trusts. Mr. Easthope confirmed that the results are concerning, were discussed at the Digital and Information Governance Board and that follow up action has been agreed as a result of the findings of this campaign.</p> <p>Ms. Richards confirmed that in line with previous agreement, and to reflect any impact of CoVid19 pandemic, due dates on agreed follow up actions between April – June 2020 have been extended by four months. However, she confirmed that completion rate has still been good.</p> <p>Mr. Richards referred to the audits completed since the last meeting, which included the CQC Action Plan Assurance audit resulting in a limited assurance rating and a high risk finding. It was noted that a number of the processes under scrutiny within the audit are incorporated into and will be strengthened as a result of the Back to Good Programme. The Chair noted that as previously advised, this report is due to be received at the Quality Assurance Committee and the importance of clarity around future ownership; escalation processes; governance sign off and ensuring all the learning is followed through was stressed, both at committee and Board level.</p> <p>Ms. Keene noted the commencement of work on the Mental Capacity Act/Mental Health Act and the change of scope to focus on governance rather than practice. Whilst she accepted that circumstances were such that this change was inevitable, she was keen to ensure that the key area of practice and monitoring oversight/governance is not overlooked. Ms. Richards confirmed that an element of the audit work will involve looking at the use of the new MCA audit tool and highlighting any gaps or areas for strengthening.</p>	

	<p>The committee acknowledged the good position in respect of completion of follow up actions, although a number of old outstanding actions were noted, including a number of medium risks related to HR issues.</p> <p>In response to a question regarding the status and follow up of these aged actions, Mr. Walsh confirmed that the weekly Executive meeting have agreed to receive a monthly progress update and whilst previously efforts have been focussed on current actions, Executives are cognisant of the need to keep track of and address older actions. Specific action has been agreed to address the aged actions and Ms. Richards confirmed that she has now met with Ms. Parry, Acting Director of HR, who has confirmed that HR have now established a monthly review of all internal audit actions to ensure the position is addressed and kept up to date.</p> <p>The Chair thanked Ms. Richards for this update and members noted receipt of the report.</p>	
<p><b>ARC</b> <b>07/07/2020</b></p>	<p><b>360 Assurance Internal Audit 2020/21 Plan Update</b></p> <p>Mr. Thomas advised that, as mentioned earlier in the meeting, 360 Assurance had undertaken an assessment of the 2020/21 plan in light of CoVid19 and discussed delivery with the Audit Management Board, of which Mr. Easthope is a member. It is acknowledged that service delivery has been impacted and the updated plan, received by members, sets out the proposed delivery plan for the remainder of the year based on a 25% reduction to ensure that resources can be prioritised into the most relevant areas.</p> <p>It was confirmed that the following areas for potential deferral to 2021/22 are proposed:</p> <ol style="list-style-type: none"> <li>1. Safeguarding Adults &amp; Children and Prevent</li> <li>2. Client-Wide Project – Liberty Protection Safeguards (this would be delayed due to a delay in the issue of relevant guidance)</li> <li>3. Estates &amp; Equipment Maintenance</li> <li>4. Transformation/Business Planning</li> <li>5. ICP/STP Joint Audit Work</li> </ol> <p>Members reviewed the proposed reduction in days and some concern was raised regarding the deferral of audits in respect of 3 and 4 (above). Mr. Easthope confirmed that due consideration has been given to the proposal with the relevant officers and it is believed that the plan has been amended appropriately ensuring the impact on quality audits was minimised. Indeed, there are alternative developing workstreams in place in these areas which will provide some level of assurance.</p> <p>In respect of the Transformation/Business Planning audits, it was confirmed that the Transformation Board has now been established; one of the first tasks will be to determine routine reporting on the transformation programme through to Finance &amp; Performance Committee and working practices are being finalised. It was suggested perhaps in the Autumn (November) the Board receives a summary to provide an understanding of how this is operating and the processes in place.</p> <p>Mr. Easthope provided an assurance that this intervening period, whilst processes are being agreed and finalised, he is not aware that this has impacted on the progress of any business cases but was happy to discuss outside of the meeting any relevant issues. The committee were advised that the Business Planning Group has now been formally established as a sub-committee of Finance &amp; Performance Committee and consideration is now being given to the reporting arrangements to ensure that FPC receives the relevant assurances on behalf of the Board in respect of business planning processes.</p>	

	<p>Following due consideration, members were happy to approve the revised plan.</p> <p>The committee agreed to keep the plan under review and would be included on the agenda planner for the October ARC meeting.</p>	Oct 2020
<p><b>ARC</b> <b>08/07/2020</b></p>	<p><b>KPMG External Audit Progress Report</b></p> <p>Mr. Khangura confirmed that all prior year accounts documentation had now been signed off and submitted in accordance with agreed timescales. Planning has now commenced in respect of 2020/21 and he will submit a proposed audit plan to committee in due course.</p> <p>It is acknowledged that the NHS financial regime is in an interim state with new arrangements expected to be confirmed w.e.f. October 2020 and Mr. Khangura noted that it will be important to assess the impact of the new arrangements on the Trust's financial sustainability. He confirmed that he did not anticipated any major impact on the Trust's going concern but it is important to see how any new regime is reported within the organisation and the arrangements put in place to deal with it. This will be included within the scope of the VFM assessment for 2020/21.</p> <p>Mr. Khangura advised that consultation period on the detailed guidance for the new National Audit Code, which will affect the VFM assessment, 2020/21 onwards, has been extended to 2<sup>nd</sup> September. However, it is anticipated that there will be three key lines of enquiry (KLOE) in respect of financial sustainability; governance and improving the 3 E's (economy, efficiency and effectiveness). He advised the committee that rather than taking an exception reporting approach to this aspect of the audit work, the Trust will be provided with the results of their work in these three areas, even if it does not result in a qualification.</p> <p>It was noted that although the implementation of IFRS16 was deferred last year, the audit team had reached a point of comfort in terms of understanding the treatment of this standard within the Trust in respect of its buildings and leases and will be following this up again in the course of the 2020/21 work.</p> <p>Mr. Khangura then indicated two areas which are specific to the Trust and will be a consideration during this year's audit will be the progress on the disposal of Fulwood and last year's adverse VFM conclusion - understanding the progress that has been made on the underlying issues identified.</p> <p>It was confirmed that the external audit plan would be received at January's meeting, but that an indication of potential audit risks should be available for the October meeting.</p>	BF
<p><b>ARC</b> <b>09/07/2020</b></p>	<p><b>Board Assurance Framework 2020/21</b></p> <p>Members noted receipt of the 2020/21 Board Assurance Framework. Mr. Walsh advised that specific effort had been made to reduce the number of risks on the BAF and to focus the content on the Trust agreed Strategic Aims. He also explained that an additional consideration for ARC at today's meeting was to propose that time at the forthcoming Board Development Session in August is used to review the current BAF model; determine/understand what officers require from it in order to be able to give the appropriate assurances to Board and then to try to reflect this in the future BAF in a way that is effective.</p> <p>Mr. Mills raised a general point around future sustainability particularly in respect of risk reference BAF.001, noting that he was happy with the rating of this risk but wasn't sure whether there was sufficient reflection of potential burn out in key areas and the relevant mitigating action. Mr. Walsh acknowledged this comment and agreed to discuss further with Mr. Clarke as the lead Executive. It is anticipated that some of this will be drawn out in the work being undertaken to identify some of the</p>	DW

	<p>key learning from the CoVid pandemic and the evolution of working arrangements throughout. Mr. Clarke advised that, from August, whilst the CoVid updates received at Board whilst still providing the relevant assurances regarding the management of the incident, will also include an indication of the outputs from the learning exercises that have taken place across the services with staff; service users, carers and partners and how they will feed into the fresh of the strategy going forward.</p> <p>Due to a number of factors including CoVid19 and the anticipated changes within the Trust, members acknowledged that the BAF received at today's meeting will be a developing document throughout the year, with the content being updated as necessary.</p> <p>Also, NED members felt the need for an additional strategic risk on the BAF in respect of potential weakness and lack of resilience across the Trust's IT systems and digital network. Whilst elements of this are covered within the Corporate Risk Register, they felt strongly that this should be identified as a cross cutting strategic risk with the potential to impact on a number of key strategies and ultimately the quality of patient care.</p> <p>There was a suggestion that it could be incorporated as a separate element of BAF.0007 in respect of transformation plans, along with the ACM Programme.</p> <p>Whilst Mr. Easthope felt that this aspect was incorporated into the overall transformation risk covering all key programmes under the transformation agenda within the Trust, rather than having individual risks on the BAF for each programme, he accepted that these were key priorities for the Trust and agreed to reflect this request on the BAF for receipt and further discussion at Board in August.</p> <p>The Chair thanked everyone for their efforts to date in developing the BAF.</p>	PE
<p><b>ARC</b> <b>10/07/2020</b></p>	<p><b>Corporate Risk Register 2020/21</b></p> <p>Members noted receipt of the 2020/21 Corporate Risk Register and Mr. Walsh outlined the revisions made since it was last considered by committee.</p> <p>He noted that in respect of ARC, the committee receives the full register, rather than identified elements as is the case with the other Board assurance committees and he questioned whether for future reports into ARC there needs to be a refocus onto consideration of the CRR process and arrangements in place.</p> <p>Mr. Walsh also felt there was a need for a further conversation around the process of escalating risks, ensuring there is a clearly identified rationale and reason for the escalation and that this is clear on the CRR.</p> <p>At this point in the meeting, Ms. Keene acknowledged the level of development and improvement work that has been undertaken in respect of the BAF and CRR, and that with the additional considerations being outlined by Mr. Walsh, the documents are improving.</p> <p>The Chair agreed with Mr. Walsh's comment in that the committee needs to refocus its consideration of the CRR to identify the gaps; action to close the gaps and where necessary hold to account; rather than the CRR content.</p> <p>Building on the earlier conversation regarding potential weaknesses across the IT systems, it was noted that three of the risks directly relate to IT.</p> <p>Ms. Keene noted that risks appear to be heightened when a number of areas within the Trust are required to work together to resolve and she questioned whether there</p>	

	<p>was any way this can be reflected as a key factor. This will also assist in providing assurance that the culture in changing and we are working differently. This is perhaps something that will be realised and paid more attention to as part of the discussion within individual Board assurance committees regarding their specific risks.</p> <p>The Chair thanked members for the discussion on this item and acknowledged the further work that needs to be undertaken to clarify escalation rationale and evidence. She also noted the links to the Risk Management Strategy and the need to review to make these areas clear. Mr. Walsh advised that the revision of the Risk Management Strategy is incorporated into one of the workstreams within the Well Led Improvement Programme and anticipated this would be available in October.</p>	
<p><b>ARC</b> 11/07/2020</p>	<p><b>Register of Interests / Register of Hospitality, Sponsorship &amp; Gifts – Follow Up Report</b></p> <p>Members noted receipt of the follow up report in respect of the Trust’s Register of Interests; Hospitality, Sponsorship and Gifts process and the additional assurances this provided in respect of the robustness of the processes in place, particularly in respect of the receipt of gifts.</p> <p>Mr. Walsh confirmed that arrangements are being made to review the policy and related processes although he noted a large element of the content is determined by national mandated guidance. Target date for completion is November 2020.</p> <p>Members noted their assurance on the actions taken to ensure robust processes were in place.</p>	
<p><b>ARC</b> 12/07/2020</p>	<p><b>Emergency Planning &amp; Preparedness Update including: EPRR Compliance; EU Exit &amp; CoVid19</b> <i>Mr. C. Clarke &amp; Mr. T. Geraghty in attendance</i></p> <p>Mr. Clarke confirmed that as far as emergency planning activity was concerned, the past four months have understandably concentrated on the CoVid pandemic. He advised that plans are now being drawn up to determine the “new normal” and take the learning from recent events into the development of future strategy.</p> <p><u>Emergency Preparedness, Resilience &amp; Recovery (EPRR) Core Standards:</u> Mr. Geraghty provided an update on compliance against EPRR core standards, noting two outstanding amber ratings on last year’s standards, with work on these standards being suspended due to CoVid. There is also anticipated to be a delay in the publication of this year’s standards due to CoVid.</p> <p>He advised that whilst work on the deep dive standard relating to climate change and sustainability had been suspended due to CoVid, arrangements are now being made to recommence this work to consider the development of a future plan.</p> <p><u>CoVid19:</u> Mr. Geraghty confirmed that Incident Control Centre established at Fulwood will be maintained for the foreseeable. This will ensure the Trust can respond to any potential surge in cases; as well as monitor the current position within the Trust and respond accordingly to guidance received from the centre.</p> <p>He confirmed that a review of emergency planning processes has also commenced to ensure that potential Winter pressures can be met.</p> <p><u>EU Exit:</u> Mr. Geraghty advised that the Trust will be stepping up preparations for a no trade deal EU exit on 31 December 2020 and the implications of this on the Trust’s high-risk areas (medicines; supplies and potentially finance) which are being reassessed.</p>	

	<p>The committee thanked Mr. Clarke and Mr. Geraghty for this overview of emergency planning and preparedness within the Trust acknowledging that in the current circumstances staff burn out and sustainability are going to be key areas for consideration going forward.</p> <p>Mr. Clarke reaffirmed that the August CoVid to the Board will focus on the strategic issues arising from the pandemic; the learning for other key areas and the return to normal processes.</p> <p>Mr. Geraghty confirmed that a learning exercise has been undertaken to influence future response to emergency incidents; that overall plans worked well as soon as the full extent of the pandemic was realised; arrangements were put in place quickly and the command structure and reporting model established.</p> <p>The Chair agreed to retain emergency planning as a standing agenda item on the ARC agenda, noting that the more strategic issues and aspects of this will be picked up as part of the Board discussion.</p> <p>The committee acknowledged the report and thanked Mr. Geraghty and all those involved for their efforts during the CoVid pandemic.</p>	
<p><b>ARC</b> <b>13/07/2020</b></p>	<p><b>Policy Governance Summary</b></p> <p>The committee formally ratified approval of the following policies, noting that they have been received and agreed through the appropriate governance processes:</p> <ul style="list-style-type: none"> <li>• Password Policy</li> <li>• Mobile Phones, Communication Devices &amp; Internet Access for Service Users</li> <li>• Losses &amp; Special Payment</li> <li>• Claims Policy</li> </ul> <p><b>Extension to Review Date for Policy on Policies</b></p> <p>The committee formally approved the request for an extension to the review date on the Policy on Policies, to the end of October 2020.</p>	
<p><b>ARC</b> <b>14/07/2020</b></p>	<p><b>Information Assurance</b></p> <p><b>i. Information Governance/Security Breaches Report</b></p> <p>Mr. Easthope presented a report outlining the information governance related incidents over quarter 1 of 2020/21. He confirmed that this report had been received for consideration at the Digital Information Governance Board (DIGB) as part of the overall governance processes and concluded that there were no identified trends or common areas.</p> <p>For the committee's added assurance, the report provides as an appendix the full report in respect of a recent incident involving the loss of data files, which provides a full overview of the process undertaken.</p> <p>In response to a question from Ms. Keene regarding the level of incidents and potential benchmark, Mr. Easthope confirmed that following discussion at DIGB it was concluded that the Trust experiences a relatively low level of incidence, however, he agreed to follow up the potential to benchmark this position and report back to the next meeting.</p> <p>The Chair acknowledged that the content of these reports is developing and will be refined as felt necessary by the committee to ensure the appropriate assurances are received.</p> <p><b>ii. Senior Information Risk Officer (SIRO) Annual Report 2019/20</b></p>	<p>PE</p>

	<p>Members noted receipt of the 2019/20 Annual Report of the Senior Information Risk Owner (SIRO). Mr. Easthope confirmed that this is a developing report which will be monitored through DIGB governance arrangements and there is the potential for this report to be incorporated into an annual report from DIGB.</p> <p>As an additional assurance for members regarding the challenge this report receives at DIGB, Mr. Easthope noted the change in RAG rating on items 3.12 and 3.13 following review by DIGB.</p> <p>Noted that training and awareness was rated red due to compliance levels and that note had been made by internal audit in respect of Board level training compliance requiring additional focus.</p> <p>Members noted the information provided within this report and agreed that in terms of regular reporting into this committee, it was agreed that DIGB would provide a bi-annual report to ensure oversight of key areas within the remit of this committee.</p> <p><b>iii. 360 Assurance Internal Audit Report – Data Security &amp; Protection Toolkit</b></p> <p>Members noted receipt of this audit report, together with the supporting update from the lead officers in terms of the Data Protection Security Toolkit evidence submission. Mr. Easthope confirmed that he had expressed his disappointment in the delay in progress and, whilst this delay is due to a number of key incidents, IMST colleagues have been reminded about the importance of timescales and the need to escalate any concerns at an early stage.</p> <p>Mr. Easthope further advised that since this report was received, a further update on progress has been provided which confirms that completion rate has risen to 87.07% over recent days with further progress expected over the coming weeks.</p> <p>He agreed to circulate the email update received for awareness of members and internal audit colleagues.</p> <p>Members also noted receipt of the 360 Assurance Audit Report on DSPT. Mr. Easthope confirmed that he had received a further update on progress against actions in this report which confirmed that two actions have been completed with a further four in progress and anticipated to be completed by end of July.</p> <p>An assurance was provided that the submission of DSPT evidence submission as well as the completion of agreed audit actions was being progressed and monitored by DIGB.</p> <p>Agreed that the committee should receive an assurance report from DIGB regarding progress against agreed audit actions; compliance with 2019/20 DSPT; as well as updates on the requirements of the 2020/21 DSPT once these are known.</p>	<p>Bring Forward</p> <p>PE</p>
<p><b>ARC</b> <b>15/07/2020</b></p>	<p><b>Third Party Assurances</b></p> <p>Mr. Easthope confirmed that he and the Chair had discussed the manner in which the committee should receive the appropriate third party assurances. It is proposed that the committee's schedule of business will include an annual item on the review of two key external provider contracts.</p> <p>The consideration of these external third party contracts will also address an area of the committee's annual self- assessment process.</p> <p>It is therefore proposed that at the October meeting the committee receives the relevant assurance paper in respect of the contracts for Microsoft licences and external audit services, which have both been agreed or renewed in the last year.</p>	<p>Oct '20</p>

	<p>Potential areas for future years include the contracts in respect of the Crisis House; Payroll Services and Occupational Health Services.</p> <p>This proposal was approved.</p>	
<p><b>ARC</b> <b>16/07/2020</b></p>	<p><b>Well Led Development Plan – Update</b> Members acknowledged the update provided on progress being made as part of the Well-Led Development Plan.</p> <p>Mr. Walsh confirmed that the Plan has now been incorporated as a workstream within the Back to Good Programme and he advised that in addition to Charis Consultants, Ms. Samantha Harrison has been re-engaged to assist with the implementation of the governance elements of the Plan.</p> <p>Members noted the timeframes and Mr. Walsh advised that he was due to meet with relevant partners next week to progress this and was happy to receive any comment on areas where escalation/priorities may need to be considered. He also advised that whilst it was recognised some of the dates on the plan will be challenging, at this stage there was a good level of confidence regarding completion. However, he acknowledged members' concerns and would discuss with Charis at his next meeting with them and take into account any update as a result of the forthcoming Board development session.</p> <p>NED members were conscious that this Plan raises a number of issues in terms of the role of NEDs and the potential change in governance/committee structure, some of which will be discussed at the forthcoming Board development session. It was suggested that consideration be given to establishing a task and finish group to enable the NEDs to provide their input.</p> <p>A separate request was made that, whilst the work is being undertaken to finalise the governance structures, and in order to assist the NEDs' understanding of current governance processes, a meeting structure be made available. Mr. Walsh confirmed that he was in the process of finalising the current arrangements and would circulate this as soon as he was confident it was accurate.</p>	<p>DW</p> <p>DW</p>
<p><b>ARC</b> <b>17/07/2020</b></p>	<p><b>Single Tender Waiver</b> <b>CTW 20/21-05 Well-Led Improvement Programme</b> Members noted receipt of a single tender waiver approved by the Executive Director of Finance in respect of:</p> <p>i. CTW20/21-05 Charis Consultants – Well Led Development Programme (Second Stage) The committee noted receipt for information and the additional assurances provided regarding continuity and value for money.</p>	
<p><b>ARC</b> <b>18/07/2020</b></p>	<p><b>Any Other Business</b> None.</p>	
<p><b>ARC</b> <b>19/07/2020</b></p>	<p><b>i. Significant Issues Report</b> The chair noted the following for the Significant Issues Report, for receipt at the next Open Board meeting:</p> <ul style="list-style-type: none"> <li>• 360 Assurance Internal Audit Progress Report: CQC Action Plan Assurance</li> <li>• 360 Assurance Audit Plan Update</li> <li>• Information Assurance Reports</li> </ul> <p><b>ii. Changes in Level of Assurance</b> In considering the initial iteration of the 2020/21 Board Assurance Framework, the committee asked that an additional strategic risk be included in respect of potential weakness across the Trust's IT and digital network.</p>	

	<p>The committee also considered the assurance rating for Risk Ref BAF.0002, referencing progress against actions for the Well Led Development Plan. This was a risk specifically assigned to ARC for review with an assurance rating currently rated green. Given the amount of work still to be progressed against the plan, it was agreed that the level of assurance should be amended to amber. This was in view of the substantial amount of work yet to be progressed. It was agreed that this would be amended for the version received at Board.</p>	
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**iii. Review of Future Meeting Agenda**

The committee reviewed the forthcoming meeting planner, noting that the October meeting will be the current Chair's last meeting. Mr. Walsh confirmed that arrangements are currently in hand to recruit a new Non-Executive Director/Chair of Audit & Risk Committee.

Date and time of next meeting:

Tuesday, 20 October 2020 @ 1.00 p.m. MS Teams / Committee Room 1, Fulwood House

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

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July 2020

Approved ARC Oct 2020