

Agenda item 05.i

Report to:	Board of Directors	Date: 1 May 2025
Report from:	Chair of the Audit Committee	
Principal Objective/ Strategy and Title	GOVERNANCE: To update the Board of Directors on discussions at the Audit Committee meeting on 13 March 2025	
Board Assurance Framework Entries	FSRA BAF (Unable to maintain financial, operational, and clinical sustainability)	
Regulatory Requirement	Regulator licensing and Regulator requirements	
Equality Considerations	Equality has been considered but none believed to apply	
Key Risks	Non-compliance resulting in financial penalties	
For:	Information	

1. Significant issues of interest to the Board

Summary

As part of the Governance Assurance Overview, the Audit Committee agreed that Chairs would periodically share how their committees provide assurance. This month, the Chair of the Quality & Risk Committee presented an excellent report.

The review of the Board Assurance Framework (BAF) and the BAF Assurance Map was postponed to the May 2025 meeting, as the Executives continue their in-depth review and updates.

The 2025/26 work plans for Local Counter Fraud (LCFS) and Internal Audit (IA) services were finalised, and discussions addressed the adequacy of Counter Fraud reporting and the Trust's potential rating against NHS Counter Fraud Authority standards.

The internal audit update covered Agency Expenditure, follow-up on recommendations, the Annual Report for 2024/25, and Data Security and Protection Toolkit (DPST) terms of reference.

Year-end preparations included updates on the Annual Report and Accounts and key technical items.

The Audit Committee's terms of reference were reviewed and approved, as well as receiving a report highlighting continued strong compliance in Managing Conflicts of Interest.

Governance Assurance Overview

Michael Blastland, Chair of the Quality and Risk Committee, delivered an excellent presentation on how the Committee assures itself regarding risks. He used Risk 675, "Failure to protect patients from harm due to hospital-acquired infections," with a focus on Surgical Site Infections (SSIs), as an example. His presentation highlighted the Committee's use of the three lines of defence to gain assurance, the role of data in fostering understanding, and the triangulation of information to verify the facts.

The Committee will be inviting other Committee Chairs to present over the next calendar year.

BDO Local Counter Fraud Service (LCFS)

Discussion have been held with LCFS about the Trust's low level of reporting on fraud issues as this could be seen by the Counter Fraud Authority (CFA) as an area of concern.

LCFS informed the Committee that based on limited data from NHS Counter Fraud Authority, about 20% of organisations account for approx. 80% of reported cases. This therefore means for circa 80% of referral organisations there is very little activity or referrals, but this is not to say that things are not happening in those organisations. Those organisations with high referral numbers, often have issues which may triangulate with other issues internally or culturally with staff. There is a balance to be struck on reporting every single item. The Trust has awareness raising sessions and work with the Freedom to Speak Up Guardian (FTSU), who deal with things at low level which then might mean that issues do not escalate.

It was felt that RPH has good procedures and working practices. However, LCFS will re-establish links with FTSU and Workforce so that they let LCFS know of these low-level issues, which he can then capture. This will demonstrate that this good activity is happening.

The LCFS Annual Work Plan for 2025/26 was approved by the Committee. It is for 60 days (50 proactive and 10 reactive) for the Trust. The Counter-Fraud Strategy and Annual Work Plan 2025/26 aligns with the Government Functional Standard for Counter Fraud.

The Trust's potential rating against NHS Counter Fraud Authority standards is overall green but with two amber elements for:

8: *Report identified loss* – due to our low levels of reporting

11: *Access to and completion of training* – due to our not making counter fraud training mandatory.

The Committee are comfortable with the self-assessments as these have been discussed in depth at past meetings.

BDO Internal Audit Service (IA)

The IA Annual Plan for 2025/26, covering 136 days (six more than the standard 130), has been finalised following extensive consultations with Committee Chairs, Executive Directors, and relevant staff. The plan is expected to address the BAF risks for 2025/26, and the Board will receive the agreed audit list.

The Committee was presented with the finalised report of the Agency Expenditure and Temporary Staffing audit which was given a rating of moderate for design and limited for effectiveness.

The control design is rated Moderate, reflecting strong governance and well-established controls ensuring due diligence for Agency workers, with Divisions required to explore alternatives before engaging agencies.

The control effectiveness is rated Limited, as positive measures to reduce Agency Expenditure are underway—such as shortening booking lead times and consistent due diligence. However, certain challenges hinder achieving reduced agency spending.

The Committee has asked that the Workforce Committee oversees the implementation of the recommendations.

DPST Terms of Reference

The Data Security and Protection Toolkit (DSPT) enables NHS organisations and partners to assess compliance with information governance standards. In line with the Audit Committee's expanded oversight role, the Committee reviewed and approved the DSPT terms of reference.

Year End Technical Items

The Chief Financial Officer presented a paper endorsed by External Audit of the new items that will need to be considered for the year end accounts. Whilst there are a number of changes and considerations which will require more work by the staff and auditors, there were no items that are of concern to the Trust at this time.

2. Key decisions or actions taken by the Audit Committee

- Approval of LCFS Strategy and Annual Plan 2025/26
- Approval Internal Audit Plan 2025/26
- Approval of Audit Committee's Terms of Reference

3. Recommendation

The Board is asked to note the report.