

**Board Meeting in Public
Tuesday, 28 March 2023**

Title of Report	Audit, Risk and Governance Committee Report	Agenda No.	3.3.1
Nature of Report (tick one)	<input checked="" type="checkbox"/> Official	<input type="checkbox"/> Official Sensitive	
Author(s)	Piers White, Chair of Audit, Risk and Governance Committee		
Lead Executive	Carl Vincent, Chief Financial Officer Janet Kidd, General Counsel and Company Secretary		
Non-Executive Director Sponsor (if applicable)	Piers White, Chair of Audit, Risk and Governance Committee		
Presented for (tick all that applies)	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Assurance	<input checked="" type="checkbox"/> Information <input type="checkbox"/> Update	
Purpose of the report and key issues			
This report is submitted to the Board to draw attention to the main items discussed at Audit, Risk and Governance Committee on Tuesday, 14 March 2023.			
Previously Considered by			
N/A			
Recommendation	The Board is asked to note the report.		
Risk(s) identified (Link to Board Assurance Framework Risks)			
Strategic Objective(s) this paper relates to: [Click on all that applies]			
<input checked="" type="checkbox"/> Collaborate with partners <input checked="" type="checkbox"/> Invest in people and culture <input checked="" type="checkbox"/> Drive innovation <input checked="" type="checkbox"/> Modernise our operations <input checked="" type="checkbox"/> Grow and diversify our donor base			
Appendices:	None		

1. Background

This report is submitted to the Board to draw attention to the main items discussed at Audit, Risk and Governance Committee (ARGC) on 14 March 2023

2. Governance

Standing Financial Instructions

The Committee agreed to recommend the Standing Financial Instructions (SFIs) to the Board. The SFIs had been reviewed as part of the annual review of governance documents. Minor amendments had been made to reflect changes to the structure, the processing of Exit Payments and the approvals for professional services. The Committee discussed assurances obtained from Clinical Audit and noted the importance of ensuring all audit plans including those from internal audit, were tracked and reported back into the Committee.

Scheme of Financial Delegation

The Committee agreed to recommend the Scheme of Financial Delegation for approval by the Board. There are no material changes.

3. Risk

Board Assurance Framework

The Committee received the Board Assurance Framework and then noted and discussed that Risk 01 (Donor and Patient harm) had increased from a score of 12 to 16. The Committee also considered the issues with IT infrastructure at Stoke Gifford and the report from the reinforced autoclaved aerated concrete audit at the Southampton site. The Committee discussed the risk scoring of BAF Risks and noted this will be discussed at Risk Workshop for the Executive Team on 15 March, followed by a Board Seminar on 27 March.

Cyber Security Update

The Committee received an update on Cyber Security Update and noted that NHSBT had continued to reduce its external Cyber Security vulnerabilities and risk position and was a high performer when benchmarked against other NHS Arms-Length Bodies. NHSBT had also continued to make good progress in reducing the Cyber Security risk within the organisation and continued to make progress against the Strategic All Risks Assessment (STARA) assessment undertaken in 2020 and 2021.

Risk Management Update

The Committee noted the work plan which had been developed in response to the audit findings from Care Quality Commission, BSI, and other planned developmental work within the Risk Team.

Business Continuity and Disaster Recovery

The Committee received a report outlining the status of Business Continuity and Disaster Recovery across NHSBT. The Committee discussed the recommendations and noted the importance of developing a process for Business Continuity and Disaster Recovery.

Blood and Transplant

The Committee encouraged a careful step by step approach using perhaps one or two business critical areas to learn from as the processes are developed.

Supplier Failure Risk

The Committee noted the approaches being taken to manage this risk and that the system of managing supplier failure risks had matured with an intelligence system now in place. It was agreed that a fuller report on the planned development of supplier management capability would be brought to the Committee in September covering the various dimensions- current capability v's planned capability would help.

Mandatory Training

The Committee noted the work underway to improve compliance with Mandatory Training There is no reason now why performance should not improve.

4. Audit

Internal Audit Progress Report

The Committee noted that 71% of the 2022/23 internal audit plan had been delivered to at least draft report stage. Three final reports had been issued since the last ARGC. To date, 50% of the reports provided limited assurance, 50% moderate. It was agreed that other Committees need to have sight of the relevant Internal Audit Reports eg the People Committee should see the Advisory report on Workforce Planning and a process would be put in place to facilitate this. It was also agreed that the Executive Team would discuss the management of Internal Audit actions.

The Committee endorsed the proposal to move the Donor Experience Strategy to 2023/4.

2023/24 Proposed Internal Audit Plan

The Committee received the Internal Audit Plan for 2023/24 plan which had been developed following meetings with various members of the Executive Team and other key stakeholders across the organisation and approved by the Executive Team on 8 February. The Committee noted there were no specific Blood Directorate Audits scheduled for 23/24, agreed the plan and suggested some amendments, including consideration of CQC readiness and Sustainability strategy, which will reviewed as the year progresses.

External Audit

The Committee received the External Audit planning report on the 2022-23 financial statements audit. The Committee endorsed the approach to risk management and approved the timetable and audit fees (£106,000). The Committee also assured the External Auditors that it was not aware of any of the following:

- non-compliance with any laws or regulations reported (e.g. from staff, service organisations or other sources);
- cases of any actual, suspected or alleged fraud or irregularities affecting the entity; and
- Other matters those that could influence the audit of the financial statements

5. Other

- 5.1.1 The committee received an update on Counter Fraud.
- 5.1.2 The Committee noted that there were no retrospective exit related approvals from the Department of Health and Social Care.
- 5.1.3 The Committee agreed stock write offs related to destruction of expired PPE and Harnesses purchased during Covid.
- 5.1.4 The Committee noted the minutes from the Risk Management Committee.