

**Board Meeting in Public
Tuesday, 26 September 2023**

Title of Report	Audit, Risk and Governance Committee Report	Agenda No.	5.1.1
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		
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 Thursday 14 September 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 September 2023.

2. Risk

Risk Management Policy

The Committee received the Risk Management Policy which had been discussed at the meeting in July and recommended the Policy for approval by the Board.

Board Assurance Framework (BAF)

The Committee received the BAF and noted the movement in risk 10 (previously Risk 3), which has fallen from 20 to 16. Risk 2 had fallen to 12 following actions being taken on irradiator training.

Risk Deep Dives Principal Risk NHSBT-05 Financial Strategic Risk

The Committee undertook a deep dive into Principal Risk NHSBT-05 Financial Strategic Risk and noted that in the financial year 2023/24, the organisation faced some financial risks, however forecast continued to suggest that NHSBT was able to work within the overall budgeted position. In the 2024/25 there was significant financial risks within ODT services and with Blood Supply and over the coming months this would require focussed management effort to achieve long term financial sustainability. A report on financial sustainability would be made to the Board outlining the funding source, cost structure, risks, productivity, and investment required. The five-year view was more difficult to predict, however there appeared more challenges in Blood and Organs.

The Committee also discussed the Indemnity cover and financial risk in Mesothelioma and Plasma and noted that there were no gaps with regards to Plasma. However, in Mesothelioma NHSBT was liable for period between 1 April 1993 and start of LTPS membership on 1 Nov 1999. The list of buildings that still had asbestos was being compiled and to date NHSBT had received three claims over the last couple of years. NHSBT had approached insurance brokers for an estimate for commercial insurance using a rough figure of 2000 staff and the restricted period 1 April 1993 to 1 November 1999. However, no quotes had been received yet and there was an expectation that the insurers would build a significant risk premium into their quote and therefore it is unlikely to be value for money from a public sector perspective.

Risk Deep Dives Principal Risk NHSBT-09 Non-compliance with Current or Emerging Regulations

The Committee undertook a deep dive into Principal Risk NHSBT-09 Non-compliance with Current or Emerging Regulations and noted that compliance was mainly with the regulations from the Care Quality Commission, the Human Tissue Authority, and the Medicines & Healthcare products Regulatory Agency. The Committee noted the two

Blood and Transplant

contributory risks and the mitigating controls and action in place to manage the risks. Assurance was provided on the preparedness for a CQC inspection.

Compliance with Functional Standards

The Committee received the action plan put together following the GIAA internal audit outcome into compliance with the functional standards, which had come back as limited.

Assurance Mapping

The Committee received the plan for the implementation of NHSBT's corporate assurance mapping framework and approach.

Mandatory Training

The Committee received the report on the work being undertaken on Mandatory Training, the current compliance levels, the work programme to make mandatory training more effective and the organisation more compliant.

The Committee approved the proposal to pass oversight of Mandatory Training to the People Committee.

3. Audit

Internal Audit

The Committee received a report on progress with the internal audit. Good progress had been made, and since the last meetings two reports had been finalised. Functional Standards had been assigned a Limited assurance and Donor Strategy and Business Planning, had been given Substantial assurance. The Committee expressed concern with the overdue follow up actions and noted the actions in place to address that. It was agreed that the People Committee should receive a list of outstanding/overdue Internal Audit actions, for them to monitor closure.

GIAA Audit Actions

The Committee noted the report outlining progress with GIAA audit actions and the approach to managing the actions going forwards.

External Audit Report

The Committee discussed the lessons learnt from the audit in the Financial Year 2022/23

4. Governance

Policy Framework including the policy management process.

The Committee noted that work was underway to differentiate Board and Committee policies from operating procedures and other documents, and assurance was provided that the organisation's Policy Framework was being managed appropriately.

5. Other

The committee received an update on Counter Fraud, Losses, and Waivers.

6. Informal Sessions

The Committee members held two separate discussion sessions with external providers (NAO/Mazars and GIAA) and the Execs to identify areas for improvement, the Board having recently signed off the Annual Report and Accounts.

7. Items for escalation to the Board

- The Risk Management Policy.
- The deep dive into a risk Principal Risk NHSBT- 05 Financial Strategic Risk
- Mesothelioma Indemnity cover and financial risk and the risk of class action.