

Audit Committee Annual Report for the financial year 2020-21			
Meeting	Board of Directors		
Date	09/06/2021	Agenda item	14
Lead Director	Alison Hughes, Director of Corporate Affairs		
Author(s)	Alison Hughes, Director of Corporate Affairs		
Action required (please tick the appropriate box)			
To Approve <input checked="" type="checkbox"/>	To Discuss <input type="checkbox"/>	To Assure <input type="checkbox"/>	
Purpose			
This paper provides the Trust Board of Directors with an annual report from the Audit Committee of Wirral Community & Health NHS Foundation Trust for the financial year 2020-21.			
Executive Summary			
<p>The report summarises the activities of the Trust's Audit Committee for the financial year 2020-21 setting out how it has met its terms of reference and key priorities.</p> <p>The committee is a formal committee of the Board of Directors. It follows best practice guidance as set out in the NHS Audit Committee Handbook 2014 providing a form of independent check upon the management of the Trust.</p> <p>The annual report attached as Appendix 1 provides an overview and summary of the following key points:</p> <ul style="list-style-type: none"> • Membership of the committee and frequency of meetings • Governance arrangements to support the committee • The work and achievements of the committee during the financial year 2020-21 including clinical audit, internal and external audit and counter fraud, particularly in the context of COVID-19 and emergency governance arrangements • The role of the committee in approving the Trust's Annual Report and Annual Accounts and the Quality Report <p>In preparing this report, the Chair of the Audit Committee is of the view that the committee has taken appropriate steps to perform its duties as delegated by the Board of Directors and it has no cause to raise any issues of significant concern with the Board arising from its work during 2020-21.</p>			
Risks and opportunities:			
None identified for the Annual Report.			
Quality/inclusion considerations:			
Quality Impact Assessment completed and attached <input type="checkbox"/> No			
Equality Impact Assessment completed and attached <input type="checkbox"/> No			
Not applicable for the Annual Report.			
Financial/resource implications:			
None identified for the Annual Report.			
Trust Strategic Objectives			
<i>Please select the top three Trust Strategic Objectives that this report relates to, from the drop down boxes below.</i>			
<input type="checkbox"/> Our Performance - increase efficiency of all services	<input type="checkbox"/> Our Performance - delivering against contracts and financial requirements	<input type="checkbox"/> Our Populations - improving services through integration and better coordination	

Board of Directors is asked to consider the following action		
The Board of Directors is asked to endorse the Annual Report of the Audit Committee.		
Report history		
Submitted to	Date	Brief summary of outcome
No previous reporting history.	81	81

Audit Committee Annual Report for the Financial Year 2020-21

Introduction

1. This Annual Report to the Board of Directors and the Council of Governors summarises the activities of the Audit Committee (the Committee) of Wirral Community Health & Care NHS Foundation Trust for the financial year 2020-21 setting out how it has met its terms of reference and key priorities.
2. The Committee is a formal committee of the Board of Directors (the Board). It follows best practice guidance as set out in the NHS Audit Committee Handbook 2014 providing a form of independent check upon the management of the Trust.

Membership and Meetings

3. The Committee comprises four Non-Executive Directors including the appointed Committee Chair, Brian Simmons.
4. The Chair of the Audit Committee has significant financial experience; previously Assistant Chief Officer and Finance Director for the Cheshire Constabulary and is a fellow of the Chartered Institute of Management Accountants.
5. Members of the Committee during 2020-21 were:
 - Brian Simmons, Chair
 - Beverley Jordan, Member
 - Professor Chris Bentley, Member
 - Gerald Meehan, Member
6. Brief CVs of members including any declared interests can be found on the Trust's website.
7. In addition to the members, the following trust officers attended the committee on a regular basis: Chief Finance Officer, Director of Corporate Affairs and Local Security Management Specialist.
8. The Chief Executive attends annually, and other Directors and Senior Managers attend by invitation and at the request of members.
9. The Trust's internal (Mersey Internal Audit Agency) and external auditors (Ernst & Young) attend all meetings to report on the matters they have investigated, to advise on a range of risk and control issues, and to formally report on the financial statements.
10. The committee's terms of reference for the financial year are attached at **appendix 1**.

11. Through the terms of reference, the committee is responsible on behalf of the Board for independently reviewing the systems of governance, control, risk management and assurance. Its activities cover the Trust's governance agenda.
12. It reviews (in summary):
 - The adequacy and effectiveness of all risk and control related disclosure statements
 - The underlying assurance processes that indicate the degree of achievement of corporate objectives and the effectiveness of the management of principal risks
 - The policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements and related reporting and self-certification
 - The Corporate Governance Manual, Standing Orders, Standing Financial Instructions and Scheme of Delegation
 - The policies and procedures for all work related to fraud and corruption
13. During 2020-21 and in response to the NHS national emergency response to COVID-19, the Trust operated under emergency governance arrangements. These arrangements outlined the principles of Board assurance and governance the Trust would follow. An overall streamlined approach to existing governance was adopted together with increased risk appetite and risk tolerance to support the Trust's response. The Terms of Reference, quorum and membership of existing sub-committees of the Board were temporarily suspended and COVID-19 specific arrangements established.
14. The Audit Committee continued to meet under the emergency governance arrangements.
15. The Committee met on six occasions during 2020-21; a schedule of attendance is included in the table below.
16. Following each meeting of the committee a report is issued to the Board summarising the key topics discussed and any formal recommendations. The minutes of each meeting once ratified, are also presented to the following meeting of the Board.

Table 1: Audit Committee members' attendance information 2020-21

	15 April 2020	24 June 2020	10 August 2020	16 September 2020	16 December 2020	24 March 2021
Brian Simmons (Chair)	✓	✓	✓	✓	✓	✓
Beverley Jordan	✓	✓	✓	✓	✓	✓
Chris Bentley	✓	✓	✓	✓	✓	✓
Gerald Meehan	✓	✓	✓	✓	✓	✓

Governance Arrangements

17. In response to the COVID-19 emergency and the national incident declared in March 2020, the Trust's control environment was amended to respond to the national incident command and control structure.
18. Much of the Trust's business as usual activity was suspended, in line with national direction, whilst all efforts were focused on achieving resilience and capacity in the health and care system to deal with the anticipated pandemic activity.
19. The Trust established a local command structure at pace with local decision-making capability maintained through the development of emergency governance

arrangements, approved by the Board of Directors. The command structure comprised;

- The Strategic Command Group (SCG) chaired by the Chief Executive with Executive Director membership providing oversight on behalf of the Board of Directors
 - The Tactical Command Group (TCG) reporting to SCG
 - Tactical cells including clinical, workforce and operational reporting to TCG
20. The command structure was aligned with local NHS and Local Authority partners allowing effective system collaboration and response. The health and care response and system partnership working were tested through the local and regional command structures with clear lines of accountability established and implemented.
 21. All decisions made continued to be made in line with the Trust's Scheme of Delegation and Standing Financial Instructions. Any decisions usually made by sub-committees or the Board of Directors and/or where speed was of the essence were taken forward in accordance with the emergency governance arrangements.
 22. The emergency governance arrangements were tested, at the request of the Board of Directors, by internal audit with **Substantial Assurance** given.
 23. The system of internal control has been in place in Wirral Community Health & Care NHS Foundation Trust for the year ended 31 March 2021 and up to the date of approval of the annual report and accounts.

Work and achievements of the committee

24. The committee meets its responsibilities through requesting assurances from management and by receiving reports from the internal auditors, the external auditors and other specialists and advisors.
25. The committee also recognises the quality of the discussion, the scrutiny applied, and the assurances given at the sub-committees of the Board (predominantly the Quality & Safety Committee during 2020-21) and the NED assurance meeting established under emergency governance arrangements which in turn have provided significant assurance and where necessary timely and appropriate escalation of risks and issues to the Audit Committee.
26. During 2020-21, the committee had oversight of all matters in accordance with its Terms of Reference whilst also supporting the emergency governance arrangements established. Further detail is provided below.

Governance

27. The committee discussed the annual work plan for the financial year which included the review and approval of the Annual Governance Statement (AGS), the Annual Report and Accounts, and the Quality Report.
28. The Board Assurance Framework (BAF) was reviewed by the committee at each meeting providing assurance on the systems and processes in place to manage strategic risks across the organisation. The committee was also kept updated on the work of the Board of Directors to complete an annual review of the principal risks.
29. To reflect the emergency governance arrangements the Trust's Risk Policy was reviewed by the committee highlighting changes to risk escalation and monitoring. This process included daily oversight of all risks through the command structure, and weekly oversight of all high-level risks at a NED assurance meeting (established

through the emergency governance arrangements), as well as continued monitoring of quality and safety risks at the Quality & Safety Committee which remained in place.

30. The risk management processes were tested in accordance with the internal audit plan 2020-21 providing **Substantial Assurance**.
31. The Trust's approach to risk management supports staff in ensuring that risks within the organisation are managed proactively and effectively and to ensure compliance with statutory obligations. The risk management processes not only identify and manage risk but also provide an opportunity for learning and shared reflection.
32. The trust-wide policy schedule was presented (live from SAFE) to the committee on a half-yearly basis.
33. Tender Waiver Applications were reported to the committee to give assurance that processes had been followed which complied with local guidance, as described in the Trust's Standing Financial Instructions (SFIs).

Clinical Audit

34. The Trust's *Quality Improvement Annual Programme - Audit & Quality Improvement Plan for 2020-21* was formally approved by the Audit Committee at its meeting in April 2020.
35. An update report was provided to the Quality & Safety Committee in March 2021 to provide assurance that the audit and quality improvement annual programme had been adapted to reflect the changes to service delivery and working practice due to the COVID pandemic but remained on track.
36. The key quality outcomes from the audits will be reported in the Trust's Annual Quality Report 2020-21.

Independent Assurance - Internal Audit

37. MIAA has provided the internal service since the Trust's establishment on 1 April 2011. In February and April 2020, the committee received the annual audit plan for approval and regular progress reports on the delivery of the plan at each of its meetings.
38. The impact of COVID-19 required regular review of the internal audit risk assessment and plan for 2020-21. As part of this assessment the following was considered;
 - How the organisation implemented NHSE/I guidance, issued to support the COVID-19 response, whilst still discharging its stewardship responsibilities
 - Any revisions to the organisation's strategic priorities
 - A review of areas for internal audit focus
 - Independent assurance requirements on how COVID-19 costs were captured and claimed across a range of areas
 - Mandated review requirements and audits which from a professional internal audit perspective were pre-requisite to ensuring sufficient coverage for a robust Head of Internal Audit Opinion
39. Therefore, review coverage was focused on;
 - The organisation's Assurance Framework
 - Core and mandated reviews, including follow up; and
 - A range of individual risk-based assurance reviews (see table below)

Table 2: Internal Audit Reviews 2020-21

Review Title	Assurance Level
Key Financial Controls	Substantial
Risk Management	Substantial
Emergency governance arrangements	Substantial
Service Review of Community Nursing	Substantial
COVID-19 expenditure	Substantial
Mobile Computing	Limited
Cyber Security	Pending completion

40. There was limited coverage of the quality and workforce areas highlighted in risk assessments. These areas will be considered as part of the 2021-22 risk assessment and planning process.
41. The overall Head of Internal Audit (HOIA) opinion for 2020-21 provides **Substantial Assurance**.
42. It confirms that *“there is a good system of internal control designed to meet the organisation’s objectives, and that controls are generally being applied consistently”*. In relation to all audit reviews, the Trust provided a managerial response with action plans in place to deliver on the recommendations made. The Audit Committee has maintained oversight of all internal audit reviews via the Audit Tracker Tool and regular progress reports from MIAA.
43. In relation to all audit reviews, the Trust provided a managerial response with action plans in place to deliver on the recommendations made. Each sub-committee of the Board receives audit reports relevant to its scope of responsibility and associated action plan where required. The Audit Committee maintains oversight of all internal audit reviews via an on-line audit tracker tool in the Trust Information Gateway (TIG) and regular progress reports from MIAA.

Independent Assurance - External Audit

44. Ernst & Young (EY) was the appointed external auditor for the Trust for 2020-21.
45. On 23 March 2020, NHSE/I wrote to all commissioners and providers setting out changes to the 2019-20 accounts reporting timescales as a result of COVID-19. The deadline for submission of audited accounts was changed from 29 May 2020 to 25 June 2020. EY worked with the Trust to deliver the audit in line with the revised reporting timescale and due to changes in the Local Government Pension Fund timetable, a further extension to 10 August 2020 was agreed with NHSE/I.
46. EY presented their Audit Results Report for the year ended 30 March 2020 to the committee in August 2020 having no matters to report with an unmodified (unqualified) opinion anticipated (and subsequently confirmed).
47. The audit for the financial year 2020-21 is on-going at the time of writing.
48. During 2020-21 the members of the Audit Committee also worked with the Council of Governors to seek support for a recommendation to direct award the audit contract for the financial year 2021-22 to EY and agreed to form a sub-group with members of the committee and governors to appoint external auditors from 2022-23 onwards.

Local Security Management

49. The Local Security Management Annual Report 2019-20 was presented to the Audit Committee in April 2020 to demonstrate compliance with the requirements of the NHS Standard Contract to put in place and maintain appropriate counter fraud and security management arrangements. The report summarised security related incidents drawing comparisons where possible, with the previous financial years.

Counter Fraud

50. The Audit Committee oversees robust processes in respect to fraud with dedicated resource and access to NHS specialists. The dedicated Anti-Fraud Specialist (AFS), provided by Mersey Internal Audit Agency (MIAA) undertakes both proactive and reactive work including direct investigation of potential frauds.
51. The Trust has established good processes in respect of fraud, overseen by the Chief Finance Officer and Director of Corporate Affairs and reported to the Audit Committee.
52. The LCFS annual work plan for 2020-21 was approved by the Audit Committee in April 2020. The annual work plan includes core work which takes account of the NHS Counter Fraud Authority's Organisational Strategy, risks identified through considering national and local anti-fraud risks and any specific management requests. MIAA Anti-Fraud insights, including benchmarking, briefings and anti-fraud related events will be integral to your plan.
53. The Audit Committee receives a counter fraud update at each of its meetings. This provides information on current fraud enquiries and any other related issues.
54. During the financial year 2020-21 the AFS delivered outcomes in respect of both proactive and reactive work undertaken. The Audit Committee received an annual report from the AFS; a requirements of NHS Counter Fraud Authority (CFA) Standards for Providers and the NHS Counter Fraud and Corruption Manual.
55. A variety of work across all four key areas of counter fraud activity was completed and the organisation demonstrated compliance with the NHS Counter Fraud Authority Standards for Providers. The range of work undertaken was aimed at both reducing the risk of fraud within the Trust and investigating and seeking sanctions and financial redress where fraud is reported and then proven. As a result, the Trust had an embedded anti-fraud culture which operates both strategically and operationally across the Trust and resulted in an overall Green anti-fraud assessment rating.
56. With Audit Committee oversight, the Trust remains committed to tackling fraud and corruption and demonstrating a good level of performance and continues to develop its anti-fraud culture and fraud prevention following an evaluation of fraud risks. This will further be developed in 2021-22.
57. The Audit Committee received the new Government Functional Standards in March 2021 which will be used to inform the annual anti-fraud plan in 2021-22. The self-assessment submitted to NHS CFA in May 2021 will set the baseline for the next financial year.
58. There were 4 referrals opened during 2020-21, 3 referrals closed, and 1 case closed.
59. The Anti-Fraud Annual Plan for 2021-22 was presented to the committee in March 2021.

Annual Report and Year-end declarations

60. The Audit Committee has requested delegated authority from the Trust Board of Directors at its meeting on 14 April 2021 to receive and approve the accounts and annual reports for the financial year 2020-21.
61. The Chief Executive will be in attendance at the meeting of the Audit Committee in June 2021 and July/August 2021 to sign the necessary certificates and statutory declarations. A report from the meeting of the Audit Committee will be presented to the Board of Directors at its next meeting in August 2021 confirming that all the necessary requirements have been met.

Annual Governance Statement

62. The internal auditors performed a range of audits during the year (see Table 2 above) which supported the Head of Internal Audit Opinion on the effectiveness of the Trust's internal control which the committee reviewed at its March 2021 meeting. The committee will support the development of the Annual Governance Statement based on NHSI requirements and Internal Audit Assurance and will review and approve it for inclusion in the Annual Report and Accounts at its meeting in June 2021.

Quality Report

63. In March 2020, NHSI removed the requirement for auditors to issue a limited assurance opinion on the quality account/quality report for 2019-20.

Conclusion

64. The Audit Committee of Wirral Community Health & Care NHS Foundation Trust is of the view that it has taken appropriate steps to perform its duties as delegated by the Board and it has no cause to raise any issues of significant concern with the Board arising from its work during 2020-21. There were no breaches of or deficiencies in internal control during 2020-21.
65. In making this statement, the Committee members acknowledge the support given to it by management, in particular the Chief Finance Officer, the Director of Corporate Affairs and by the internal and external auditors.
66. During 2021-22, the committee will support the restoration of extant governance arrangements and will keep under review its working arrangements and ensure it continues to develop its own practice to improve its own effectiveness.
67. The Board is asked to endorse this Annual Report from the Audit Committee.

Brian Simmons
Chair, Audit Committee

June 2021

NHS Provider Licence Self-Certification 2020-21

Meeting	Board of Directors		
Date	09/06/2021	Agenda item	15
Lead Director	Alison Hughes, Director of Corporate Affairs		
Author(s)	Alison Hughes, Director of Corporate Affairs		
Action required (please tick the appropriate box)			
To Approve <input checked="" type="checkbox"/>	To Discuss <input type="checkbox"/>	To Assure <input type="checkbox"/>	
Purpose			
The purpose of this paper is to provide evidence of compliance against the Provider Licence to support a decision by the Board of Directors			
Executive Summary			
NHS Improvement (NHSI) oversees an NHS Foundation Trust's compliance with its licence conditions.			
NHS Providers are required to self-certify the following after the financial year-end:			
Condition G6(3)	The provider has taken all precautions necessary to comply with the licence, NHS Acts and NHS constitution		
Condition CoS7(3)	If providing commissioner requested services, the provider has a reasonable expectation that required resources will be available to deliver the designated services		
Condition FT4(8)	The provider has complied with required governance arrangements (this includes the training of governors)		
<p>The process for 2020-21 is similar to 2019-20 with Trust's not required to return completed provider licence self-certifications to NHSI. Instead the process of audit allows NHSI to contact a select number of NHS Trusts and Foundation Trusts to ask for evidence that they have self-certified either by providing the completed or relevant board minutes and papers recording sign-off.</p> <p>There is no set process for assurance on how conditions are met; Boards need to understand the reported position and sign off on compliance.</p> <p>Condition CoS7(3) is not applicable to the Trust as the Trust is not a designated CRS provider; this has been confirmed with the CCG.</p>			
Self-certification returns deadlines			
1. Condition G6(3) - <i>Systems for compliance with licence</i>			
<ul style="list-style-type: none"> • Deadline for Board sign off 31 May 2020 (previously circulated to Board members for approval) • The G6 self-certification must be published (on the Trust's website) by 30 June 2020. 			
2. Condition FT4 - <i>Corporate Governance Statement and Training of governors</i>			
Deadline for Board sign off 30 June 2020			

<p>Proposed position</p> <p>3. The Director of Corporate Affairs has reviewed the statements and considered the evidence against each and is recommending that the Board of Directors self-certifies 'Confirmed' for all elements.</p> <p>The evidence to support the proposed position is outlined in appendix 1 for further Board discussion.</p>								
<p>Risks and opportunities: This is a requirement of NHS FTs Provider Licence.</p>								
<p>Quality/inclusion considerations: Quality Impact Assessment completed and attached No Equality Impact Assessment completed and attached No Not applicable for this return.</p>								
<p>Financial/resource implications: None identified.</p>								
<p>Trust Strategic Objectives <i>Please select the top three Trust Strategic Objectives that this report relates to, from the drop down boxes below.</i></p> <table border="1"> <tr> <td>Our Performance - delivering against contracts and financial requirements</td> <td>Our Populations - improving services through integration and better coordination</td> <td>Our People - improving staff engagement</td> </tr> </table>			Our Performance - delivering against contracts and financial requirements	Our Populations - improving services through integration and better coordination	Our People - improving staff engagement			
Our Performance - delivering against contracts and financial requirements	Our Populations - improving services through integration and better coordination	Our People - improving staff engagement						
<p>Board of Directors is asked to consider the following action</p> <ul style="list-style-type: none"> Consider the responses and evidence aligned to each element of the provider licence conditions in appendix 1, which the Board is required to self-certify against, and confirm/approve the proposed response. Note that the agreed return in relation to G6 will be published no later than 30 June 2020. 								
<p>Report history</p> <table border="1"> <thead> <tr> <th>Submitted to</th> <th>Date</th> <th>Brief summary of outcome</th> </tr> </thead> <tbody> <tr> <td>8T</td> <td>8T</td> <td>No history</td> </tr> </tbody> </table>			Submitted to	Date	Brief summary of outcome	8T	8T	No history
Submitted to	Date	Brief summary of outcome						
8T	8T	No history						

Appendix 1 - Provider licence self-certification

G6 (3) - Systems for compliance with licence (by 31 May 2021)			
The board are required to response 'Confirmed' or 'Not confirmed' to the following statement. Explanatory information should be provided where required.			
	Statement	Response (& supporting information/evidence for board assurance)	Risks/Mitigations
1	Following a review for the purpose of paragraph 2(b) of licence condition G6, the Directors of the Licensee are satisfied that, in the Financial Year most recently ended, the Licensee took all such precautions as were necessary in order to comply with the conditions of the licence, any requirements imposed on it under the NHS Acts and have had regard to the NHS Constitution.	<p>CONFIRMED</p> <p>At the meeting of the Audit Committee on 24 March 2021 the Trust's internal auditors Mersey Internal Audit Agency (MIAA) presented their Head of Internal Audit Opinion providing overall Substantial Assurance confirming that <i>"there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently"</i>. This is a key piece of evidence to support compliance with this condition of the provider licence.</p> <p>Further evidence to support this condition include;</p> <ul style="list-style-type: none"> - the Risk Policy (GP45), updated during 2020-21 and approved by the Audit Committee, provides a systematic approach to the identification, management and escalation of risks within the Trust. The update included recognition of risk identification and escalation under emergency governance arrangements implemented as a result of the Trust's response to COVID-19 and the identification of COVID-19 specific risks. - the Board Assurance Framework supported by the Annual Assurance Framework Opinion from MIAA - the Quality & Patient Experience Report received by the Quality & Safety Committee <p>In response to the COVID-19 emergency and the national incident declared in March 2020, the Trust's control environment was amended to respond to the national incident command and control structure, led by a National Strategic Commander and feeding down to the HealthCare Partnership (HCP), Clinical</p>	No risks identified.

		<p>Commissioning Group (CCG) and the Trust via NHS England/Improvement. Much of the Trust's business as usual activity was suspended, in line with national direction, whilst all efforts were focussed on achieving resilience and capacity in the health and care system to deal with the anticipated pandemic activity.</p> <p>The Trust established a local command structure at pace with local decision-making capability maintained through the development of emergency governance arrangements, approved by the Board of Directors. The command structure was aligned with local NHS and Local Authority partners allowing effective system collaboration and response.</p> <p>The local command structure established to support the Trust's response to COVID-19 ensured a robust control framework remained in place. This included daily oversight and monitoring of organisational risks with assurance provided through the established emergency governance arrangements to a weekly NED assurance meeting, the bi-monthly Quality & Safety Committee and the Audit Committee, both of which remained in place throughout the financial year.</p>	
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FT4 Declaration - Corporate Governance Statement & Training of Governors *(by 30 June 2021)*

The Board are required to respond 'Confirmed' or 'Not confirmed' to the following statements, setting out any risks and mitigating actions planned for each one.

	Statement	Response (& supporting information/evidence for board assurance)	Risks/Mitigations
1	The Board is satisfied that the Licensee applies those principles, systems and standards of good corporate governance which reasonably would be regarded as appropriate for a supplier of health care services to the NHS.	<p>CONFIRMED</p> <p>The Annual Governance Statement 2020-21 (to be approved by the Audit Committee on 10 June 2021) outlines the main arrangements in place to ensure the Trust applies the principles, systems and standards of good corporate governance expected of it as a provider of health and social care services.</p> <p>There is an internal audit programme in place, under the direction of the Audit</p>	No risks identified

		<p>Committee to ensure systems and processes are appropriately tested.</p> <p>The external auditors deliver a robust annual audit plan reporting to the Audit Committee.</p>	
2	<p>The Board has regard to such guidance on good corporate governance as may be issued by NHS Improvement from time to time</p>	<p>CONFIRMED</p> <p>The Board retains oversight of new guidance issued by regulatory bodies including NHSE/I, CQC and ADASS through informal board sessions.</p> <p>During 2020-21, new guidance related to the NHS response to COVID-19 was managed through the local command structure supported by emergency governance arrangements.</p>	<p>No risks identified.</p>
3	<p>The Board is satisfied that the Licensee implements:</p> <p>(a) Effective board and committee structures</p> <p>(b) Clear responsibilities for its Board, for committees reporting to the Board and for staff reporting to the Board and those committees; and</p> <p>(c) Clear reporting lines and accountabilities throughout its organisation.</p>	<p>CONFIRMED</p> <p>During 2020-21 and in response to the COVID-19 national emergency, the Trust operated under emergency governance arrangements. These arrangements outlined the principles of Board assurance and governance the Trust would follow. An overall streamlined approach to existing governance was adopted together with increased risk appetite and risk tolerance to support the Trust's response. The Terms of Reference, quorum and membership of existing sub-committees of the Board were temporarily suspended and COVID-19 specific arrangements established.</p> <p>All decisions made continued to be made in line with the Trust's Scheme of Delegation and Standing Financial Instructions. Any decisions usually made by sub-committees or the Board of Directors and/or where speed was of the essence were taken forward in accordance with the emergency governance arrangements.</p> <p>The quality governance framework remained in place and has been critical to the Trust's safe and effective response to the demands of COVID-19. The Standards Assurance Framework for Excellence (SAFE) steering group has continued to meet monthly providing assurance to the Quality & Safety Committee on compliance with statutory and regulatory requirements, including new requirements in respect of COVID-19.</p>	<p>No risks identified.</p>

		The emergency governance arrangements were tested, at the request of the Board of Directors, by internal audit with Substantial Assurance given.	
4	<p>The Board is satisfied that the Licensee effectively implements systems and/or processes:</p> <ul style="list-style-type: none"> (a) To ensure compliance with the Licensee's duty to operate efficiently, economically and effectively; (b) For timely and effective scrutiny and oversight by the Board of the Licensee's operations; (c) To ensure compliance with health care standards binding on the Licensee including but not restricted to standards specified by the Secretary of State, the Care Quality Commission, the NHS Commissioning Board and statutory regulators of health care professions; (d) For effective financial decision-making, management and control (including but not restricted to appropriate systems and/or processes to ensure the Licensee's ability to continue as a going concern); (e) To obtain and disseminate accurate, comprehensive, timely and up to date information for Board and Committee decision-making; (f) To identify and manage (including but not restricted to manage through forward plans) material risks to 	<p>CONFIRMED</p> <p>a) Appropriate financial controls and governance were maintained throughout 2020-21. The Trust set an emergency COVID-budget and introduced temporary and enhanced financial governance arrangements for the approval and capture of all COVID-19 related expenditure. The systems and processes established to accurately identify and report upon COVID-19 related costs were tested by internal audit in 2020-21 providing Substantial Assurance. The review noted good practice in respect of governance arrangements, roles and responsibilities, documentation, claim collation and monitoring and reporting arrangements. There were no critical or high-level recommendations identified, with four either medium or low-level recommendations which have subsequently been tracked through the Trust's Audit Tracker Tool.</p> <p>Additionally, the Trust completed a COVID-19 financial governance checklist and a COVID-19 procurement checklist, developed by internal audit with the position for both reported to the NED assurance meeting.</p> <p>In accordance with national guidance, operational plans for 2020-21 were suspended. This resulted in amended financial arrangements being confirmed for the financial year to enable a streamlined response to COVID-19. There were significant changes to block contract payments and arrangements for provider to provider recharges, and efficiency and performance targets were suspended. This provided all trusts with a minimum level of income over the period.</p> <p>b) During 2020-21 and in response to the COVID-19 national emergency, the Trust operated under emergency governance arrangements. These arrangements outlined the principles of Board assurance and governance the Trust would follow. An overall streamlined approach to existing</p>	No risks identified.

	<p>compliance with the Conditions of its Licence</p> <p>(g) To generate and monitor NHS Improvement delivery of business plans (including any changes to such plans) and to receive internal and where appropriate external assurance on such plans and their delivery; and</p> <p>(h) To ensure compliance with all applicable legal requirements.</p>	<p>governance was adopted together with increased risk appetite and risk tolerance to support the Trust's response. The Terms of Reference, quorum and membership of existing sub-committees of the Board were temporarily suspended and COVID-19 specific arrangements established.</p> <p>c) Under emergency governance arrangements the quality governance framework remained in place across the Trust to ensure oversight of the safe and effective delivery of care during the response to COVID-19. The role of the SAFE steering group within the governance structure remained crucial in monitoring compliance and delivery against regulatory, statutory and professional standards providing assurance to the bi-monthly Quality & Safety Committee.</p> <p>The Standards Assurance Framework for Excellence (SAFE) on-line tool was expanded to assess compliance with the COVID-19 quality framework including specific NICE and quality standards, quality audits and relevant COVID-19 procedural documents. The Trust has maintained regular engagement with the CQC during 2020-21 providing evidence and assurance on the delivery of safe and effective services. This included a review of Infection Prevention & Control procedures which confirmed appropriate arrangements were in place across the Trust and a change to the Trust's statement of purpose to reflect the establishment of the Community Intermediate Care Centre and in-patient rehabilitation and reablement beds for the local community.</p> <p>A robust programme of clinical audit remained in place and during 2020-21, 45 clinical and professional audits were completed including COVID specific audits e.g. monitoring of all COVID-19 related risks, use of PPE, supporting reassigned staff and adherence to hand hygiene standards. The key quality outcomes from the audits will be reported in the Annual Quality Account.</p> <p>d) See response above to a).</p>	
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		<p>e) During 2020-21 and in response to the COVID-19 national emergency, the Trust operated under emergency governance arrangements. These arrangements outlined the principles of Board assurance and governance the Trust would follow. An overall streamlined approach to existing governance was adopted together with increased risk appetite and risk tolerance to support the Trust's response. The Terms of Reference, quorum and membership of existing sub-committees of the Board were temporarily suspended and COVID-19 specific arrangements established.</p> <p>All decisions made continued to be made in line with the Trust's Scheme of Delegation and Standing Financial Instructions. Any decisions usually made by sub-committees or the Board of Directors and/or where speed was of the essence were taken forward in accordance with the emergency governance arrangements.</p> <p>The Standing Orders for the Practice and Procedure of the Board of Directors (Para 3.1) provide for the Chairman to call a meeting of the Board at any time. Under the emergency governance arrangements, a weekly NED assurance was also established to provide an updated position on the Trust's emergency response to COVID-19.</p> <p>f) The local command structure established ensured a robust control framework remained in place. This included daily oversight and monitoring of organisational risks with assurance provided through the established emergency governance arrangements to the weekly NED assurance meeting, the bi-monthly Quality & Safety Committee and the Audit Committee, both of which remained in place throughout the financial year.</p> <p>Through the local command structure and the principles of the emergency governance arrangements, the focus on risk management remained.</p> <p>The Trust's Risk Policy was reviewed during 2020-21 highlighting changes to risk escalation and monitoring under emergency governance arrangements. This process included daily oversight of all risks through the</p>	
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		<p>command structure, and weekly oversight of all high-level risks at the NED assurance meeting (established through the emergency governance arrangements), as well as continued monitoring of quality and safety risks at the Quality & Safety Committee which remained in place.</p> <p>The development of a monthly health risk score assessing the management of risks against four key criteria, has provided further assurance on the effectiveness of the risk management framework. The four criteria are;</p> <ul style="list-style-type: none"> - Expected date of completion remains in date - Risk has been reviewed in the last month - Evidence of recent mitigation or progression - Mitigating action plan developed and in place <p>During 2020-21 the average monthly risk health score for all organisational risks recorded on Datix, assessed as above, was 92%.</p> <p>The Trust has a Board Assurance Framework (BAF) in place which the Board of Directors receives at every meeting; the BAF records the principal risks that could impact on the Trust achieving its strategic objectives and provides a framework for reporting key information to the Board of Directors.</p> <p>During 2020-21 there were 13 principal risks (strategic risks) recorded on the BAF against the organisation's three strategic areas of Our Population, Our People and Our Performance. The strategic risks reflected the requirements of the NHS response to COVID-19 and when the Phase 3 response letter was issued in July 2020 the risks were closely aligned (in-year) to those priorities.</p> <p>In March 2021 Mersey Internal Audit Agency (MiAA) completed the annual Assurance Framework Review providing a range of assurances and noting the development of the BAF recognising that "it was clearly visible and used by the organisation". It was noted that "the BAF clearly reflected the risks discussed by the Board" and risks were</p>	
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		<p>reviewed and changed in year to reflect the position and support the effective management of risks.</p> <p>The audit identified some areas where further development would strengthen the BAF, and the recommendations and the actions planned by the Trust to address these were agreed at the Board of Directors meeting in April 2021.</p> <p>g) The Trust has an annual planning process that ensures future business plans are developed and supported by appropriate engagement and approvals</p> <p>h) The governance, risk and control processes in place ensure that the trust remains compliant with all the legal requirements.</p>	
5	<p>The Board is satisfied that the systems and/or processes referred to in paragraph 4 (above) should include but not be restricted to systems and/or processes to ensure:</p> <p>(a) That there is sufficient capability at Board level to provide effective organisational leadership on the quality of care provided;</p> <p>(b) That the Board's planning and decision-making processes take timely and appropriate account of quality of care considerations;</p> <p>(c) The collection of accurate, comprehensive, timely and up to date information on quality of care;</p> <p>(d) That the Board receives and takes into account accurate, comprehensive, timely</p>	<p>CONFIRMED</p> <p>a) There are effective appraisal processes in place to support the Board members individually and collectively. All of this is described in the Annual Report.</p> <p>b) There are robust QIA and EIA processes in place to support decision making processes for any service development or changes and any impact on the quality of care is carefully considered.</p> <p>c) The quality governance framework is robust and has been vital in supporting the Trust's response to COVID-19. The SAFE group has supported the monitoring of information on quality of care and the Quality & Safety Committee has continued to receive a detailed quality report outlining key risks, incidents and assurances on safety. The committee chair reports any key decisions and recommendations to the next meeting of the board. The local command structure has also ensured that decisions taken were considered in the context of service delivery, staff availability and skills, safety, quality and equity.</p> <p>d) As above - the board receives a report from the QSC. The board also</p>	No risks identified.

	<p>and up to date information on quality of care;</p> <p>(e) That the Licensee, including its Board, actively engages on quality of care with patients, staff and other relevant stakeholders and takes into account as appropriate views and information from these sources; and</p> <p>(f) That there is clear accountability for quality of care throughout the Licensee including but not restricted to systems and/or processes for escalating and resolving quality issues including escalating them to the Board where appropriate.</p>	<p>receives the Quality Strategy annually.</p> <p>e) Members of the board are engaged in quality initiatives and through the local command structure supported by the emergency governance arrangements the board has remained informed on the delivery of high - quality care. Whilst F2F activities have been restricted during 2020-21, the members of the board have remained engaged with the Council of Governors and the Trust's Your Voice group to take account of views from outside the organisation. The national FFT was paused during 2020-21. The opportunity for staff to raise concerns through Freedom To Speak Up (FTSU) processes has remained throughout the Trust's response to COVID-19.</p> <p>f) There is clear accountability for quality of care through the Chief Nurse and Medical Director.</p>	
6	<p>The Board is satisfied that there are systems to ensure that the Licensee has in place personnel on the Board, reporting to the Board and within the rest of the organisation who are sufficient in number and appropriately qualified to ensure compliance with the conditions of its NHS provider licence.</p>	<p>CONFIRMED</p> <p>All members of the Board and Associate Directors comply with the requirements of the Fit and Proper Persons Regulation and all members of the board and senior decision makers complete declaration of interests.</p> <p>The annual appraisal process supports effective succession planning through talent conversations and a number of senior managers are engaged in national programmes to support their development to Director level, as appropriate.</p> <p>The Board of Directors started at development programme with external facilitation in September 2020 following an initial pause over the spring/summer months. Following a series of workshops, the programme was paused again whilst the Trust responded to the winter peak in COVID-19. This programme of work will be revisited in Q1.</p>	<p>No risks identified.</p>
Training of governors			
1	<p>The Board is satisfied that during the</p>	<p>CONFIRMED</p>	

	<p>financial year most recently ended the Licensee has provided the necessary training to its Governors, as required in s151(5) of the Health and Social Care Act, to ensure they are equipped with the skills and knowledge they need to undertake their role.</p>	<p>The Council of Governors meets formally on a quarterly basis with a further development/training day 3-4 times per year. The schedule of meetings has continued during the Trust's response to COVID-19 though streamlined agendas and focused discussion have been supported.</p> <p>In November/December 2020 a series of governor elections were held, and an induction day held in early January 2021 to provide an overview on the role of the FT governor, their statutory responsibilities and governance within the Trust.</p> <p>The governor Quality Forum has been temporarily suspended however the Chair of the group has met regularly with the Chair of the Quality & Safety Committee for a briefing on key areas of focus.</p> <p>The Remuneration and Nomination subgroup conducted significant business during 2020-21 including the reappointment of the Chair and Deputy Chair.</p> <p>The governor development days have continued to provide an opportunity for shared learning and updates, most recently this has included on the Trust's forward plan and NHS reforms.</p>	
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