Audit and Risk Assurance (ARAC) meeting

**Date:** 19 October 2023

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**Agenda item:** 7.

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Audit Tracker Summary

# Purpose of paper

1. To provide the Committee with an update on the outstanding recommendations in HTA’s Audit Tracker.

# Decision making to date

1. The Audit Tracker was reviewed by the SMT on 22 September 2023.

# Action required

1. ARAC Members are requested to comment and note progress made.

# Update

1. The Audit Tracker was last presented to the Committee at its June 2023 meeting. At that time there were 28 audit recommendations outstanding.
2. Since then, 2 new audits have been completed which were for DSPT and Anti-Fraud Controls. We are yet to receive the final report for the latter, but are discussing the draft report with GIAA. As of 14 September 2023, a further 7 recommendations have been agreed as completed by GIAA, leaving a total of 23 recommendations outstanding.
3. Of the 22 outstanding, 9 are not due with a further 13 being overdue.

Updates – by exception

1. Utilisation of Capabilities – an outstanding recommendation from 2019/20 which we had originally thought was a larger piece of work than was necessary. SMT agreed however that all that was required in the interim was a key roles register which is now in development – an action taken on by the new Director of Resources. This will be presented to ARAC on 19 October 2023 as part of the deep dive into Risk 4.
2. Cyber Security Essentials – this audit was conducted in 2020/21 and evidence was submitted early in May. Further evidence was requested which was provided at the end of May 2023. We are yet to receive a response but expect to do so in October when staff return from annual leave.
3. Record to Report – there are two recommendations outstanding one of which has partly been closed which is rec 7. We have issued evidence of creating an account for the Director of Resources within the finance system, which has been accepted. The second part of rec 7 relates to running two accounting periods. This is an issue with the finance software which cannot be resolved until a new system is sourced. Please see below for the second recommendation.
4. Records Management – there are four outstanding of which 1 was due by September 2023. The remainder will become due at the end of October. Evidence for all recommendations were submitted to GIAA in September and updated early October. GIAA provided helpful feedback which the team are working on.

**Request for the committee to accept a risk and close recommendations**

1. The Committee are requested to accept the risks for the following recommendations and agree to close them as follows:
   * DSPT recommendation 2.1 – ‘conduct a formal lessons learned exercise based on gap analysis….’. This recommendation we believe the committee agreed to accept as closed as evidence of the lessons learned was not available. On review of the minutes of past meetings, the minutes do not appear to reflect the committee’s decision.

The committee is requested to accept the risk which has been rated as medium, and the fact that over 2 years has passed, there have been DSPT

audits superseding this one and the new SIRO may conduct a lessons learned in the future utilising their contacts with other ALBs.

* + Record to Report recommendation 3 - ‘first and second line assurance requirements should be documented into relevant SOPs…’. Evidence was provided that detailed the checks conducted by the Director of Resources and Head of Finance (1st line) and the reviews conducted by Directors and their teams (2nd line) and reporting to DHSC is sufficient. We do not believe that this is a significant risk and do not feel that creating an additional SOP mitigates it. The Committee are asked to consider accepting the risk and closing this recommendation.

1. At Annex A is a summary of those recommendations that are currently outstanding for the Committee’s review.

**Recommendation**

1. The Committee are requested to note, comment on the summary at Annex A and agree the proposals above.