






Torbay and South Devon NHS Foundation Trust
Council of Governors

Microsoft Teams Video-Conference
4 August 2021 14:00 - 4 August 2021 15:30

AGENDA

#	Description	Owner	Time
1	OPENING MATTERS		
1.1	Chairman's welcome and apologies for absence - Matt Arthur and Craig Davidson (Governors) To note	Chair	14:00
1.2	Declarations of interests To note	Chair	
2	BUSINESS FROM PREVIOUS COUNCIL OF GOVERNORS' MEETING		
2.1	Minutes of Council of Governors' meeting held on 05 May 2021 To approve  2.1 - 2021.05.05 DRAFT CoG minutes.pdf 7	Chair	14:05
2.2	Matters arising not covered elsewhere on the agenda To receive	Chair	
3	BUSINESS REPORTS		
3.1	Chairman's report (verbal) To receive	Chair	14:10
3.2	Chief Executive's report To receive  3.2 - Chief Executive Report.pdf 15	Chief Executive	14:20
4	NON-EXECUTIVE DIRECTOR REPORTS		
4.1	Non-Executive Director Committee Reports (verbal) To receive		14:40
4.1.1	Audit Committee	Mrs S Taylor	
4.1.2	Quality Assurance Committee	Mrs J Lyttle	
4.1.3	People Committee	Ms V Matthews	

#	Description	Owner	Time
4.1.4	Finance, Performance and Digital Committee	Mr P Richards	
4.1.5	Building a Brighter Future Committee	Mr C Balch	
5	GOVERNANCE REPORTS		
5.1	<p>Governance Quarterly Report</p> <p>To receive</p> <p> 5.1 - Governance Quarterly Report.pdf 17</p>	DCG	15:00
5.2	<p>Membership Committee Chair's Report</p> <p>To receive</p> <p> 5.2 - Membership Cttee Chair Report 13.07.2021.p... 61</p>	Chair, Membership Committee	15:05
6	GOVERNOR ENGAGEMENT		
6.1	<p>Feedback and questions from Members and Governors including Governor Communications Log</p> <p>To receive</p> <p> 6.1 - Feedback and Questions from Members and... 63</p>	Chair	15:15
7	CLOSING MATTERS		
7.1	Any other business	Chair	
7.2	Close of meeting	Chair	15:30*
	<p>Details of 2021 Council of Governors' meetings (all 14:00-16:00): 3 November.</p> <p>For information</p>		
	*A private meeting for Governors will take place at 15:30		
	Executive Directors, Non-Executive Directors and members of the public please leave the meeting at this point		

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MINUTES OF THE COUNCIL OF GOVERNORS MEETING

HELD ON 5 MAY 2021 AT 2PM

VIA MICROSOFT TEAMS VIDEO-CONFERENCE

Present

* Nicole Amil	* Richard Ibbotson (Chair)	
Craig Davidson	Matthew Arthur	Derek Blackford
* Eileen Engelmann	* Carol Day	* Loveday Densham
Steven Harden	Lorraine Evans	* Annie Hall
Febuary Howson	Jonathan Hawkins	* Lynne Hookings
Deborrah Kelly	* Emily Huggins	Mike James
Rosemary Rowe	* John Kiddey	* Mary Lewis
* Andrew Stilliard	* Jonathan Shribman	* John Smith
* Radia Woodbridge	* Jean Thomas	* Mark Tyrrell-Smith
	* Keith Yelland	

* denotes member present / () = present for part of meeting

Directors

* Liz Davenport	Chief Executive	(CE)
* Ian Currie	Medical Director	(MD)
Joanne Watson	Health and Care Strategy Director	(HCSD)
* Rob Dyer	Deputy Chief Executive	(DCE)
* Judy Falcão	Chief People Officer	(CPO)
* John Harrison	Chief Operating Officer	(COO)
* Adel Jones	Director of Transformation and Partnerships	(DTP)
* Deborah Kelly	Chief Nurse	(CN)
Dave Stacey	Chief Finance Officer	(CFO)
* Chris Balch	Non-Executive Director	(CB)
* Jacqui Lyttle	Non-Executive Director / Senior Independent Director	(JL)
Vikki Matthews	Non-Executive Director	(VM)
* (Paul Richards)	Non-Executive Director	(PR)
Robin Sutton	Non-Executive Director	(RS)
* Sally Taylor	Non-Executive Director / Vice Chair	(ST)
* Jon Welch	Non-Executive Director	(JW)

In attendance

* Jane Downes	Director of Corporate Governance	(DCG)
* Jane Harris	Associate Director of Communications and Partnerships	(ADCP)
* Chris Knights	Programme Director	(PD)
* Sarah Fox	Corporate Governance Manager	(CGM)
* Sally-Ann Reay	Membership Manager and minute taker	(MM)

1. OPENING MATTERS

1.1 Chairman's welcome and apologies for absence

Apologies for absence were received from Councillor Rosemary Rowe, Steven Harden, Mike James, Dave Stacey (Chief Finance Officer), Dr Joanne Watson (Health and Care Strategy Director), Robin Sutton (Non-Executive Director) and Vikki Matthews (Non-Executive Director). Jane Harris (Associate Director of Communications and Partnerships) and Chris Knights (Programme Director) were in attendance to give a presentation on the New Hospital Programme "Building a Brighter Future"

The Chairman welcomed all to the meeting, particularly the new Governors who had joined as of 1st March 2021.

1.2 Declarations of Interests

There were no declarations of interests.

2. BUSINESS FROM PREVIOUS COUNCIL OF GOVERNORS' MEETING

2.1 Minutes of Council of Governors' meeting held on 3 February 2021

The minutes of the meeting held on 3 February 2021 were approved as a true record of the meeting.

2.2 Matters arising not covered elsewhere on the agenda

There were no matters arising.

3. BUSINESS REPORTS

3.1 Chairman's Report

The Chairman provided the following verbal report:

Covid-19 – the Chairman advised that the continued requirement to focus on Covid-19 planning and operational delivery took up significant resources. The pause in elective activity and non-urgent cases during the Covid-19 period would mean a need for adjustment in Trust activity in all areas.

Acute Site Building Work – work had started to ensure the hospital emergency pathway was better equipped the future, within both blue and green pathways. The Trust was working with the Torbay Hospital League of Friends to find an alternative location for their base.

Building a Brighter Future – The Chairman gave a brief update on the new hospital programme and explained it was based on two elements – digital and real estate.

South, East and North Devon Alliance (SEND) – work continued with the alliance to support collaboration and networked solutions.

3.2 **Chief Executive's Report**

The Chief Executive thanked Governors for the excellent feedback given during the morning's Network Meeting in relation to urgent care.

The Chief Executive reported that the Integrated Care System (ICS) for Devon had now been authorised in shadow format and would be fully live from April 2022 dependant on the Government White Paper being passed by Parliament. Discussions had already been held with the new ICS Chief Executive, Jane Milligan.

The Chief Executive updated on the considerable work to submit the Operating Plan for 2021/22 by 6 May 2021 and thanked the operational and transformational teams for their valuable input.

Work was continuing with partners across the whole Torbay system to ensure recovery from Covid-19, both from a health and economic regeneration perspective.

Covid resilience plans had been implemented, including a vaccination programme for staff. The Chief People Officer added that currently 85% of staff had received both Covid-19 vaccines.

The Chief Executive concluded by saying that within the recovery planning from Covid-19, the needs of the Trust staff were a priority for the Trust whilst stepping up activity.

There were no questions from Governors.

3.3 **New Hospital Programme (NHP) "Building a Brighter Future"**

The Deputy Chief Executive informed Governors of the new title for the programme, formerly known as "HIP2", which was now branded "Building a Brighter Future". Key elements of the discussion at the meeting would be to identify the best methods to engage with Governors on this piece of work, with updates from Jane Harris (Associate Director of Communications and Partnerships) and Chris Knights (Programme Director) to follow. The Programme Director then presented a slide deck showing:

- Building on work of the Integrated Care Organisation (ICO)
- Based on regeneration of District General Hospital (DGH) infrastructure, both digital and physical
- Strategic Outline Case (SOC) submission due July 2021 – with high-level options to take forward to Outline Business Case (OBC)
- Needs to be aligned to SOCs of other NHP sites and overall Devon Health and Care Strategy
- Acceleration of the Digital OBC.
- Timelines listed: OBC at June 2022, FBC at October 2023, Construction not before 2025, with completion 2028 and beyond.

- Agreed process of National NHS Green book
- High level options for Digital and Estates
- Costings requiring mix of rebuild and refurbishment.

Questions were invited from Governors.

Mrs Hall asked if there had been any public engagement to date. The Deputy Chief Executive responded that this was not required until the higher-level options were available, to inform the discussions.

Mr Kiddey questioned this response, saying that his understanding was that following the Freshwater review into the Trust communications and new communication appointments undertaken in 2020, he would have expected a communications strategy to have already commenced, especially in respect of public engagement. Mr Kiddey referred to the Bath HIP2 Programme which had gone out to the public in December 2020 with an overview issued in January 2021.

The Deputy Chief Executive responded that in terms of timing, engagement had already commenced with staff and some external partners but the key focus of public engagement would be once the SOC was submitted. Capacity had been required to be built up within the NHP team and the Trust was on a similar timeline with other NHP partners locally.

Mr Kiddey asked if the Trust felt this approach to public engagement, commencing after the SOC submission in July 2021, would withstand a legal challenge and Deputy Chief Executive responded that the level of engagement currently undertaken would be sufficient for the SOC submission. Chief Executive added that the NHS Regional team had also confirmed this advice and this guidance had been followed throughout the South West Peninsula. Previous wide level engagement as part of the Devon Long Term plan had also been built into the SOC.

Mr Stilliard asked about the budgetary requirements, particularly with a third of the required investment for a total re-build having been allocated. He asked how the priorities for replacement elements were going to be decided. The Programme Director responded that choices would be informed around four criteria:

- a) the requirement to re-provide the number of inpatient beds;
- b) separating the planned and unplanned provision on Torbay Hospital site;
- c) some high level clinical and non-clinical services would not be provided on the acute site; and
- d) a complete re-provision of the Emergency Department service.

It was noted that some non-patient facing services would be moved away from the acute site.

The Programme Director added that this information would be provided in more detail as part of the wider public engagement process following the submission of the SOC.

The Associate Director of Communications and Partnerships explained the Trust's communications approach, including a desire to have meaningful conversations with Governors about how they could influence and shape the conversation linked to Building a Brighter Future. She explained that this programme was not led by NHSI and accordingly had a different governance structure and legal gateways. Any work on public engagement needed to be consistent across Devon to avoid any confusion.

The Associate Director of Communications and Partnerships summarised the input from Governors which had come out of the Board to Council of Governors workshops on 10 March 2021 and invited Governors to be involved in a forthcoming "Governor Working Group" to meet monthly as part of the long-term engagement process on the programme. Recruitment was underway for a Communications Specialist for the Building Brighter Future engagement work, with interviews being held on Friday 7 May.

Mr Tyrrell-Smith asked if other Trusts were undertaking similar engagement strategies and mentioned the "pony express conundrum". The Associate Director of Communications and Partnerships agreed this was important to bear in mind and work was underway led by the Transformation Team alongside discussions with South West colleagues, NHS England and other areas such as Cumbria, which had similar rural communities. The Deputy Chief Executive added that future transformational elements had to be considered, as the delivery budget would not deliver a new hospital on a like for like basis.

Mr Stilliard questioned whether public input would be limited by waiting until July SOC submission, with discussion around two or three viable options. The Programme Director said that the brief list he had described for SOC would have much greater detail at both the OBC and FBC stages.

The Chairman thanked the presenters for their clear reports and Governors for their engagement in the process.

4. NON-EXECUTIVE DIRECTOR REPORTS

4.1 Non-Executive Director Committee Reports

4.1.1 Audit Committee

Mrs Taylor advised that:

- The Board Assurance Framework had been received.
- Revisions to the Annual Report and Accounts and changes to waivers noted.
- Completed reports received from Internal Audit had been listed as assured or satisfactory.
- Two areas of concern being monitored were CAMHS and Cyber Fraud.

The Council of Governors noted the report on the work of the Audit Committee.

4.1.2 **Quality Assurance Committee**

Mrs Lyttle reported on the Quality Assurance meeting held on 29 March 2021, where significant assurance had been given on the harm reviews looking at patients waiting times and diagnostic waits. The Committee were very aware of the heightened risk and the impact on cancer services.

Mrs Lyttle reported that the Committee had been reassured that immediate action had taken place regarding four “never” events. The Committee had asked for further assurance in relation to long term learning from those events.

The Council of Governors noted the report on the work of the Quality Assurance Committee.

4.1.3 **People Committee**

In the absence of Mrs Matthews, the Chief People Officer briefed Governors on the Staff Survey results recently published.

Excellent progress had been made against the Trust’s People Plan, with work ongoing with regard to achievement reviews (formerly known as appraisals). Mr Welch added that new proposals of wellbeing buddies and antibullying buddies had been welcomed by the Committee.

The Council of Governors noted the report on the work of the People Committee.

4.1.4 **Finance, Performance and Digital Committee**

In the absence of Mr Richards, Mr Balch reported on several key issues including:

- Committee receiving regular reports from Chief Finance Officer relating to the end of year finances.
- Planning under way with regard to finances for 2021/22, which would see a return to Business as usual and focus on transformation and cost improvement plans.
- Capital programme of £35m in 2021/22, and similar planned for the following financial year, aligned to Acute and Emergency Department developments.

The Council of Governors noted the report on the work of the Finance, Performance and Digital Committee.

4.1.5 **Building a Brighter Future Committee (previously known as HIP2 Redevelopment Committee)**

Mr Balch confirmed the name change for the Committee. The current focus was on the work required for the July 2021 submission target for the Strategic Outline Case (SOC).

Opportunities for wider engagement would increase shortly and it would be important to engage with staff and bring them alongside the work.

The Council of Governors noted the report on the work of the Building a Brighter Future Committee.

5. GOVERNANCE REPORTS

5.1 Governance Quarterly Report

The Director of Corporate Governance highlighted key points from the report:

- The Governor Nomination and Remuneration Committee vacant Staff Governor posts had been filled by Emily Huggins and Radia Woodbridge.
- The Annual Members' Meeting had been provisionally set for 29 July 2021. It was noted that the date could be moved to September 2021 if by doing so it would enable public attendance and at scale. The Trust was currently awaiting further guidance from the Government prior to confirming the date.

The Governance Quarterly Report was received and noted.

5.3 Chair's Report Membership Committee 22 April 2021

The Chair's Report from the Membership Committee held on 22 April 2021 was received and noted.

Mrs Hookings added that both herself and Mrs Lewis were stepping down from the Membership Committee after many years and were delighted that enthusiastic new Governors had stepped forward to facilitate key engagement for members.

The Chairman thanked Mrs Hookings for her considerable efforts on the Membership Committee, which had played an important role for Foundation Trust Members.

6. GOVERNOR ENGAGEMENT

6.1 Feedback and Questions from Members and Governors including Governor Communications Log

The Director of Corporate Governance noted that Governors had the opportunity to submit questions on notice to the Trust but that none had been received on this occasion.

The Governors Communications Log was received and noted.

7. CLOSING MATTERS

7.1 Any other business

There was no further business discussed.

7.2 Close of meeting

There being no further business the Chairman closed the meeting at 15.45.

Details of next meeting

The next meeting would be held at 2pm on Wednesday 4 August 2021, either in the Boardroom or via Microsoft Teams Video Conference – to be confirmed.

COUNCIL OF GOVERNORS	
Report title: Chief Executive's Report	Meeting date: 4 August 2021
Report appendix	n/a
Report sponsor	Chief Executive
Report author	Director of Governance
Report provenance	Discussion items discussed at Board and Board Sub-Committee level
Purpose of the report and key issues for consideration/decision	<p>The Council of Governors ('COG') meetings are clearly a key part of our governance arrangements and throughout the Covid-19 pandemic we have endeavoured to maintain/enhance our usual communication programme with Governors via regular briefings, email, bespoke newsletters and virtual meetings.</p> <p>I am also mindful of the important role that Governors provide in actively seeking feedback from members of the public and the support Governors are able to provide to the Trust in communicating key messages.</p> <p>At the previous COG meeting Governors received a high level report on: ICS developments; Trust's Operating Plan; community recovery and working with councils; local and system-wide to Covid, including roll-out of the vaccination programme; and, in relation to Covid Recovery Plans, health and wellbeing of staff.</p> <p>I acknowledge that since the last meeting, Governors have requested information about several Covid-related topics as well as the new hospital programme and in particular the Trust's Building a Brighter Future.</p> <p>Whilst Governors have received operational briefings via the monthly Governor Network meetings, it is my intention at this Council of Governors' meeting to provide, along with my Executive colleagues, an update on the following key areas:</p> <ul style="list-style-type: none"> • new hospital programme and the Trust's <i>Building a Brighter Future</i>; • current position regarding the Long Term Plan; • how we are responding both locally and system-wide to the current situation, including our Summer Escalation Plan; and • in relation to Covid Recovery Plans, addressing the back-log.

Action required (choose 1 only)	For information <input type="checkbox"/>	To receive and note <input checked="" type="checkbox"/>	To approve <input type="checkbox"/>
Summary of key elements			
Strategic objectives supported by this report	Safe, quality care and best experience	X	Valuing our workforce X
	Improved wellbeing through partnership	X	Well-led X
Is this on the Trust's Board Assurance Framework and/or Risk Register	Board Assurance Framework	X	Risk score 20
	Risk Register	X	Risk score various
BAF Risk 4: To provide safe, quality patient care and achieve best patient experience			
External standards affected by this report and associated risks	Care Quality Commission	X	Terms of Authorisation
	NHS Improvement	X	Legislation
	NHS England	X	National policy/guidance X

COUNCIL OF GOVERNORS MEETING				
Report title: Governance Quarterly Report		Meeting date: 4 August 2021		
Report appendix	Appendix 1: Interim Audit Findings Report for the year ended 31 March 2021 Appendix 2: Council of Governors 2021 Workplan			
Report sponsor	Director of Corporate Governance			
Report author	Director of Corporate Governance			
Report provenance	n/a			
Purpose of the report and key issues for consideration/decision	The report provides corporate governance updates on matters of relevance to the Council of Governors.			
Action required	For information <input type="checkbox"/>	To receive and note <input checked="" type="checkbox"/>	To approve <input type="checkbox"/>	
Recommendations	To receive and note the items as shown in the quarterly governance report.			
Summary of key elements				
Strategic objectives supported by this report	Safe, quality care and best experience		Valuing our workforce	
	Improved wellbeing through partnership		Well-led	X
Is this on the Trust's Board Assurance Framework and/or Risk Register	Board Assurance Framework	n/a	Risk score	
	Risk Register	n/a	Risk score	
External standards affected by this report and associated risks	Care Quality Commission		Terms of Authorisation	X
	NHS Improvement	X	Legislation	
	NHS England	X	National policy/guidance	X

Report title: Quarterly Governance Report		Meeting date: 4 August 2021
Report sponsor	Director of Corporate Governance & Trust Secretary	
Report author	Director of Corporate Governance & Trust Secretary	

Introduction

The report provides a quarterly governance update on matters of relevance to the Council of Governors.

1. Resignation of Governor

- 1.1 The Council of Governors is asked to note the resignation of Mark Tyrell-Smith as Public Governor for Teignbridge. This follows his recent change of residential address out of the Teignbridge constituency.
- 1.2 The Trust extends its thanks to Mark for his contribution to the Council of Governors during his tenure as Governor for Teignbridge.

Action required: To note the resignation of Mark Tyrell-Smith as Public Governor for Teignbridge Constituency

2. Governor Training and Development

- 2.1 Since the previous Council of Governors meeting, Governors have received the following training and development:
 - 8 April Group Induction Session for new Governors
Jane Downes, Director of Corporate Governance and
Sally-Ann Reay, Membership Manager
 - 8 April Overview of Trust Finances
Dave Stacey, Chief Finance Officer
 - 5 May Panel Session – Urgent and Emergency Care Response and
Future Role of MIU's
Panel Chair: Cathy Williams, System Director South Devon
Panel Members: Helen Bailey, Jenny Turner and Paul Green, NHS
Devon CCG;
Dr Matthew Fox, Moor to Sea ISU, Dierdre Molloy, Consultant
Nurse, Newton Abbot Hospital, and Derren Westacott, Newton
Abbot ISU
 - 3 June Quality Account Priorities 2021/22
Deborah Kelly, Chief Nurse

- 3 June Communications and Engagement Strategy
Jane Harris, Associate Director of Communications and Partnerships

- 8 July Cyber Security Awareness session
Adele Rilstone, Local Counter Fraud Specialist and Avon and Somerset Cyber Crime Unit

- 8 July Equality, Diversity and Inclusion
Sanita Simadree, Diversity and Inclusion Lead and Chair of Devon-wide BAME Network

Action required: To note Governor training and development report for the period April to July 2021.

3. 2020/21 Annual Report and Accounts

- 3.1 In light of pressures caused by the public sector response to COVID-19, some annual reporting requirements were changed for 2019/20. These revisions were made in April 2020, mirroring changes made to *The Government Financial Reporting Manual* by HM Treasury. In December 2020, HM Treasury confirmed that these relaxations would continue to be available for the 2020/21 reports.

- 3.2 The National Audit Office ('NAO') also announced earlier in the year the provision for external auditors to apply for an extension to complete their Value for Money audit work.

- 3.3 Under the new NAO Code for 2020/21, the Foundation Trust's external auditor, Grant Thornton LLP, were granted an extension to complete their work by the end of August, and will issue their final Auditors' Annual Report providing a commentary on the Trust's arrangements to secure Value for Money to the Trust's Audit Committee on 8 September in accordance with NAO's timeline for 2020/21.

- 3.4 In the meantime, Grant Thornton LLP issued an Interim Audit Findings Report, which enabled the Trust to submit the Annual Report and Accounts to the Regulator, and thereby meet its reporting obligations. The Interim Audit Findings Report is attached for information as Appendix 1.

- 3.5 Once the final Auditors' Annual Report has been reviewed by the Audit Committee, the Annual Report will be updated to incorporate the revised Auditors' Annual Report, and the Annual Report and Accounts will be laid before Parliament, thereby enabling publication of the document.

Action required: To note the current position in relation to publication of the Annual Report and Accounts for 2020/21 and receive the Interim Audit Findings Report.

4. Annual Members Meeting 2021

- 4.1 The Council of Governors is asked to note the revised date for the Annual Members Meeting of 22 September 2021.
- 4.2 The format of the 2021 Annual Members Meeting was discussed at the Membership Committee meeting held on 13 July and consideration given whether to hold a virtual Annual Members Meeting, or an 'in-person' Annual Members Meeting.
- 4.3 The current status of operational activity and the continuation of social distancing national guidelines for NHS sites is such that it is increasing likely that the Annual Members Meeting for 2021 will be a virtual meeting rather than an in-person meeting.
- 4.4 The Notice of Annual Members Meeting is required to be issued by 25 August and therefore confirmation is sought regarding the meeting venue.

Action required: To note the date of the 2021 Annual Members Meeting and confirm that the meeting will be held on-line.

5. 2021 Council of Governors Work Plan

- 5.1 The 2021 work plan for the Council of Governors is presented for information at Appendix 1.

Action required: To receive and note the 2021 Council of Governors work plan.

The Audit Findings for Torbay and South Devon NHS Foundation Trust

Year ended 31 March 2021

Torbay and South Devon NHS
Foundation Trust

June 2021



Contents



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Section

1. Headlines
2. Financial statements
3. Value for money arrangements
4. Independence and ethics

Appendices

- A. Action plan
- B. Follow up of prior year recommendations
- C. Audit adjustments
- D. Fees
- E. Audit Opinion

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Foundation Trust or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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1. Headlines

This table summarises the key findings and other matters arising from the statutory audit of Torbay and South Devon NHS Foundation Trust ('the Trust') and the preparation of the group and Trust's financial statements for the year ended 31 March 2021 for those charged with governance.

Financial Statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion:

- the Group and Trust's financial statements give a true and fair view of the financial position of the Group and Trust and the Group and Trust's income and expenditure for the year; and
- The Group and Trust's financial statements have been properly prepared in accordance with the Department of Health and Social Care (DHSC) group accounting manual 2020/21 (GAM)
- The Group and Trust's Remuneration and Staff reports are prepared in accordance with the Foundation Trust Annual Reporting Manual 2020/21.

We are also required to report whether other information published together with the audited financial statements in the Annual Report, is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Our audit work was completed on remotely during April to June 2021. Our findings are summarised on pages 5 to 18. We have not identified any adjustments to the financial statements that have resulted in a change to the Trust's retained deficit position. Audit adjustments are detailed in Appendix C. We have also raised recommendations for management as a result of our audit work in Appendix A. Our follow up of recommendations from the prior year's audit are detailed in Appendix B.

Our work is substantially complete and there are no matters of which we are aware that would require modification of our audit opinion (Appendix E) or material changes to the financial statements, subject to the following outstanding matters:

- Valuation of land and buildings - response from external valuer to audit follow-up queries is outstanding
- Trade and other receivables testing – one item of evidence outstanding
- Payroll substantive analytical procedures – review of evidence received
- Non pay expenditure cut-off testing – review of evidence received, queries on two invoices
- Leases – evidence to support one lease outstanding (DPT)
- Deferred income – evidence to support the deferral of two items
- completion of our final internal quality review processes
- receipt of management representation letter; and
- review of the final set of financial statements.

We have concluded that the other information to be published with the financial statements, is consistent with our knowledge of your organisation and the financial statements we have audited.

Our anticipated audit report opinion will be unmodified.

1. Headlines

Value for Money (VFM) arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Trust has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are now required to report in more detail on the Trust's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the Trust's arrangements under the following specified criteria:

- Improving economy, efficiency and effectiveness;
- Financial sustainability; and
- Governance

We have not yet completed all of our VFM work and so are not in a position to issue our Auditor's Annual Report. An audit letter explaining the reasons for the delay is included in the Audit Committee papers. We expect to issue our Auditor's Annual Report by the September Audit Committee. This is in line with the National Audit Office's revised deadline of 20 September 2021.

As part of our work, we considered whether there were any risks of significant weakness in the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. We identified a risk in respect of financial sustainability. Our work on this risk is underway and an update is set out in the value for money arrangements section of this report.

Statutory duties

The National Health Service Act 2006 ('the Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- to certify the closure of the audit.

We have not exercised any of our additional statutory powers or duties.

We expect to certify the completion of the audit upon the completion of our work on the Trust's VFM arrangements, which will be reported in our Auditor's Annual Report in September 2021.

Significant Matters

We did not encounter any significant difficulties or identify any significant matters arising during our audit.

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff amidst the pressure they were under during these unprecedented times.

2. Financial Statements

Overview of the scope of our audit

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ('the Code'). Its contents have been discussed with management.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

Audit approach

Our audit approach was based on a thorough understanding of the group's business and is risk based, and in particular included:

- An evaluation of the group's internal controls environment, including its IT systems and controls;
- An evaluation of the components of the group based on a measure of materiality considering each as a percentage of the group's gross operating costs to assess the significance of the component and to determine the planned audit response. From this evaluation we determined that an audit of Torbay and South Devon NHS Foundation Trust and specified audit procedures for SDH Developments Limited balances was required, which was completed by the audit team.
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks

We have not had to alter our audit plan, as communicated to you on 21 April 2021.

Conclusion

We have substantially completed our audit of your financial statements and subject to outstanding queries being resolved, we anticipate issuing an unqualified audit opinion following the Audit Committee and subsequent Board approval of the Annual Report and Accounts on 28 June 2021, as detailed in Appendix E. These outstanding items are detailed on page 3.

2. Financial Statements



Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Materiality levels remain the same as reported in our audit plan on 21 April 2021.

We detail in the table on this page our determination of materiality for NHS Torbay and South Devon Foundation Trust.

	Group Amount (£'000)	Trust Amount (£'000)	Qualitative factors considered
Materiality for the financial statements	7,000	6,950	<ul style="list-style-type: none"> Business environment – the group and Trust operate in a stable, publicly funded environment
Performance materiality	4,550	4,518	<ul style="list-style-type: none"> New client for the firm in 2020/21 Going concern qualification issued in 2019/20
Trivial matters	300	300	<ul style="list-style-type: none"> Set by the National Audit Office
Materiality for the salary element of senior officer remuneration		20	<ul style="list-style-type: none"> This is a politically sensitive figure of interest to users of the accounts.

2. Financial Statements - Significant risks

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

This section provides commentary on the significant audit risks communicated in the Audit Plan.

Risks identified in our Audit Plan	Commentary
<p>Management override of controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. The Trust faces external pressures to meet agreed targets, and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>In response to this risk, we have:</p> <ul style="list-style-type: none"> • evaluated the design effectiveness of management controls over journals; • analysed the journals listing and determine the criteria for selecting high risk unusual journals; • tested unusual journals made during the year and at year end to underlying evidence to ensure they are appropriate; • gained an understanding of the accounting estimates and critical judgements applied made by management and considered their reasonableness; and • evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions. <p>We have no findings to report in respect of our work in this area.</p>

2. Financial Statements - Significant risks

Risks identified in our Audit Plan

Commentary

Improper revenue recognition

Under ISA240 there is a presumed risk of fraudulent revenue recognition.

Trusts are facing significant external pressure to restrain budget overspends and meet externally set financial targets, coupled with increasing patient demand and cost pressures. In this environment, we have considered the rebuttable presumed risk under ISA (UK) 240 that revenue may be misstated due to the improper recognition of revenue.

The majority of the Trust's income is from patient care activities and contracts with NHS commissioners. Due to the Covid 19 pandemic the new finance regimes have meant much of this income has become fixed in the 2020/21 financial year. This may reduce the risk relating to revenue recognition compared with previous years, however, as this is a new arrangement within this financial year we still anticipate revenue recognition will be a significant risk for the 2020/21 audit.

At this stage we have rebutted this presumed risk for the revenue streams of the Trust that are principally derived from contracts that are agreed in advance at a fixed price. We have determined these to be income from:

- Block contract income element of patient care revenues
- Education & training income
- Adult social care income

We have not deemed it appropriate to rebut this presumed risk for all other material streams of patient care income and other operating revenue at this time. These include:

- Variable income element of patient care revenues
- Torbay Pharmaceutical sales

We have therefore identified the occurrence and accuracy of these income streams of the Trust and the existence of associated receivable balances as a significant risk, which was one of the most significant assessed risks of material misstatement.

In response to the risks identified, we have:

- evaluated the group's accounting policy for the recognition income from patient care activities and other operating revenue for appropriateness and compliance with the DHSC group Accounting Manual 2020/21;
- agreed, on a sample basis, income and year end receivables to invoices or other supporting evidence; and
- updated our understanding of the Trust's system for accounting for income from patient care activities and other operating revenue, and evaluated the design of the associated controls for revenue identified as a significant risk.

In addition, for:

Patient Care Income

- we reviewed documentation between the Trust and its commissioners to supporting documentation; and
- we reviewed the DHSC mismatch report.

Other Operating Revenue, including Torbay Pharmaceutical Sales

- we agreed a sample of other operating income back to supporting documentation and subsequent receipt.

No issues were identified from this testing to date.

2. Financial Statements - Significant risks

Risks identified in our Audit Plan

Valuation of land and buildings

The Trust revalues its land and buildings on an annual basis to ensure that the carrying value is not materially different from the current value at the financial statements date. This valuation represents a significant estimate by management in the financial statements.

Management has engaged the services of a valuer to estimate the current value as at 31 March 2021.

The valuation of land and buildings is a key accounting estimate which is sensitive to changes in assumptions and market conditions. In 2019/20 the Trust's valuation expert identified there were material uncertainties in relation to the valuation of land and buildings at the balance sheet date, arising from the impact of Covid 19. These uncertainties are likely to impact valuations at 31 March 2021.

Commentary

In response to this risk, we have:

- evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work;
- evaluated the competence, capabilities and objectivity of the valuation expert;
- written to the valuers to confirm the basis on which the valuation was carried out;
- engaged our own independent valuer to assess the instructions to the Group's valuer, the group valuer's report and the assumptions that underpin the valuation;
- challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding; and
- tested, on a sample basis, revaluations made during the year to ensure they have been input correctly into the Trust's asset register.

We were unable to reperform the valuation calculations for the revalued assets that we selected for testing as the Group's valuer would not provide the underlying details and their calculations. We have therefore carried out alternative procedures in order to gain sufficient assurance over the values of these assets at 31 March 2021. As the valuation information relates to the Group's assets it should consider whether it requires their appointed valuer to provide this information to support the external audit process in future years.

As part of the Trust's estate is provided through a PFI scheme, the valuation of these buildings is net of VAT, on the basis that the service potential of these assets would be re-provided on a similar basis for valuation purposes. We have assessed that this is appropriate in view of the Government's decision not to approve these projects in future, with reference to contract documentation confirming re-provision of this service.

Our audit work to date has not identified any issues in respect of valuation of land and buildings.

2. Financial Statements - Significant risks

Risks identified in our Audit Plan

Commentary

Completeness of expenditure risk

Trusts are facing significant external pressure to restrain budget overspends and meet externally set financial targets, coupled with increasing patient demand and cost pressures. In this environment, we have considered the risk that expenditure may be misstated due to the improper recognition of expenditure.

The majority of the Trust's expenditure relates to staff costs. This is an area where we do not consider there to be a significant risk. We also do not consider that depreciation is an area of significant risk.

At this time, we have not deemed it appropriate to rebut this presumed risk for other material streams of operating expenditure at this time, including:

- Supplies and services
- Drugs costs and
- Premises costs

We have therefore identified the completeness of these expenditure streams of the Trust and the existence of associated payable balances as a significant risk, which was one of the most significant assessed risks of material misstatement.

In response to this risk we have:

- evaluated the Trust's accounting policy for recognition of expenditure for appropriateness and compliance with the DHSC Group Accounting Manual 2020/21;
- updated our understanding of the Trust's system for accounting for expenditure and evaluated the design of the associated controls;
- agreed, on a sample basis, year end payables and accruals to invoices or other supporting evidence, both pre and post year end; and
- evaluated and challenged the estimates and the judgments made by management for year end accruals.
- in light of the significant funding and support provided by central Government to mitigate the additional costs arising as a result of the Covid-19 pandemic to the NHS, we have also considered the risk of manipulation of the year end financial position by inappropriately recognising or accruing additional expenditure in 2020-21.

No issues were identified from this testing to date.

2. Financial Statements – key judgements and estimates

This section provides commentary on key estimates and judgements inline with the enhanced requirements for auditors.

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Land and Building valuations – £167.8m	<p>Other land and buildings comprises £154m of specialised assets including the hospital site, which are required to be valued at depreciated replacement cost (DRC) at year end, on a modern equivalent asset basis. Management have determined the amount of space and location required for ongoing service delivery in the light of their current and projected service needs and have instructed the valuer accordingly. The remainder of land and buildings (£7m) are not specialised in nature and are required to be valued at existing use value (EUV) at year end. The Trust has engaged DVS of the Valuation Office Agency to complete the valuation of properties as at 31 March 2021 on a five yearly cyclical basis. All land ad buildings and dwellings were revalued on a desktop basis at 31 March 2021..</p> <p>The Trust is required to value its assets in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual. This limits the use of alternative estimates. Estimation uncertainty is addressed by engaging the services of an appropriately qualified expert.</p> <p>The total year end valuation of land and buildings was £167.8m, a net increase of £6.3m from 2019/20 (£161.5m).</p>	<p>The Trust has retained the services of DVS to undertake valuations of freehold land, buildings and dwellings.</p> <ul style="list-style-type: none"> We have assessed the Trust's valuers to be competent, capable and objective. The valuation method remains consistent with the prior year. We have confirmed the consistency of the estimate against data supplied by the auditor's expert, to assess the reasonableness of the increase in the estimate. We have extensively challenged the valuer to inform our understanding of the valuation methodology and assumptions used. <p>Our work on land and building valuations is currently in progress.</p>	Light Purple – Neither cautious or optimistic

Assessment

- [Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements - key judgements and estimates

Significant judgement or estimate

	Summary of management's approach	Audit Comments	Assessment
Critical judgements and significant estimates.	<p>In note 1.2 to the accounts the Trust has disclosed critical accounting judgements in relation to:</p> <ul style="list-style-type: none"> The expected credit loss of contract receivables Provisions Joint operations and income recognition <p>In note 1.2 to the accounts, the Trust has disclosed estimation uncertainties in respect of:</p> <ul style="list-style-type: none"> Modern equivalent asset valuation of property Impairments and the estimated useful lives of assets. 	<p>Critical judgements should be disclosed where they are material to the financial statements and should detail what judgement was made. In our view the expected credit loss of contract receivables and provisions are not material and therefore do not require disclosure.</p> <p>Estimation uncertainty disclosures should be made where there is a risk of a material adjustment in the next 12 months. These should set out the nature of the assumptions that give rise to the material uncertainty and the range of possible outcomes. Impairments and the estimated useful lives of assets are not considered to give risk of a material misstatement in the next 12 months and therefore do not need to be disclosed.</p>	Light Grey - Cautious
Depreciation	<p>Buildings depreciation is based on the asset lives determined by professional valuers.</p> <p>Plant and Machinery, medical equipment and intangibles are based on industry standards and key staff knowledge and experience of the useful lives of these assets.</p> <p>Asset lives remain under constant review and depreciation rates may be amended at certain items in year if the Trust's knowledge of the assets changes in the year and the remaining life is deemed inaccurate.</p>	<p>To challenge the estimate for depreciation, we have tested the estimated useful lives for a sample of assets lives in the asset register against the Trust's policy. This identified an asset that should have been depreciated in the year but had not due to an input error. It was established that there were five assets where depreciation had not been charged, in error.</p> <p>We have carried out a substantive analytical procedure to gain assurance over depreciation as a whole, which was found to be within our tolerance levels.</p> <p>On this basis, we are satisfied that there is not a risk of material misstatement in depreciation charged in the accounts.</p>	Light Grey - Cautious

Assessment

- [Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements - key judgements and estimates

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
PFI liability	<p>The Trust uses the Department of Health model to calculate the PFI liability. The Models cover the life of the PFI agreements and are adjusted each year to move the RPI (retail price index) from an assumed rate to an actual rate.</p> <p>The unitary charge is increased under the contracts by RPI each year. The models are also changed accordingly. The models would only change if there are other reasons why the unitary charge were to change e.g. removal of an key element from the PFI agreement.</p>	<p>We have used an internal PFI expert as part of the audit team to review the Trust's PFI models and report on any unexpected changes. There are none noted.</p> <p>On this basis, we are satisfied that there is not a risk of material understatement in the PFI liability recognised in the accounts.</p>	Light Purple – Neither cautious or optimistic
Accruals	<p>Accruals are generally based on knowledge and experience of goods and services which the Trust knows it has yet to invoice, or where the Trust has incurred a liability but has not yet received an invoice from the supplier or paid for a liability.</p> <p>Trade debtor and creditor values are driven from the Integrated Financial application. These accruals will be reviewed by the management accounting team as part of the monthly general ledger closedown process and any material inaccurate accruals will be adjusted.</p> <p>Accruals are based on the latest information available at the time and on the latest known rates charged by/to the Trust whether by reference to the latest agreed orders or contracts.</p>	<p>We have tested a sample of accruals made by the Trust to supporting evidence.</p> <p>On this basis, we are satisfied that there is not a risk of material understatement in accruals charged in the accounts.</p>	Light Purple – Neither cautious or optimistic

Assessment

- [Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements - other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.



Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Audit Committee. We have not been made aware of any incidents in the period and no other issues have been identified during the course of our audit procedures.
Matters in relation to related parties	The related parties disclosures for the Trust did not disclose the transactions and balances with the Trust's subsidiary. This has been addressed in the amended financial statements. We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	A letter of representation has been requested from the Trust, including specific representations in respect of the Group, which is included in the Audit Committee papers.
Confirmation requests from third parties	We requested from management permission to send confirmation requests to the Trust's bankers. This permission was granted and the requests were sent with all of these request returned with positive confirmation.
Accounting practices	We have evaluated the appropriateness of the Trust's accounting policies, accounting estimates and financial statement disclosures. Our review found no material omissions in the financial statements.
Audit evidence and explanations/significant difficulties	All information and explanations requested from management was provided. The Trust's management and finance team have responded promptly to the audit queries.

2. Financial Statements - other communication requirements



Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management’s use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity’s ability to continue as a going concern” (ISA (UK) 570).

Issue	Commentary
<p>Going concern</p>	<p>In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2020). The Financial Reporting Council recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.</p> <p>Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:</p> <ul style="list-style-type: none"> the use of the going concern basis of accounting is not a matter of significant focus of the auditor’s time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity’s services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities for many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. Our consideration of the Trust’s financial sustainability is addressed by our value for money work, which is covered elsewhere in this report. <p>Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the Trust meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:</p> <ul style="list-style-type: none"> the nature of the Trust and the environment in which it operates the Trust’s financial reporting framework the Trust’s system of internal control for identifying events or conditions relevant to going concern management’s going concern assessment. <p>On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:</p> <ul style="list-style-type: none"> a material uncertainty related to going concern has not been identified management’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

2. Financial Statements - other responsibilities under the Code

Issue	Commentary
Other information	<p>We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>No inconsistencies have been identified. We plan to issue an unmodified opinion in this respect – refer to appendix E.</p>
Auditable elements of Remuneration Report and Staff Report	<p>We are required to give an opinion on whether the parts of the Remuneration Report and Staff Report subject to audit have been prepared properly in accordance with the requirements of the Act, directed by the Secretary of State with the consent of the Treasury.</p> <p>We have audited the elements of the Remuneration Report and Staff Report , as required by the Code. The following amendments were required:</p> <ul style="list-style-type: none"> • the fair pay multiple disclosure of the highest paid director should be the mid point of the band rather than the banded remuneration and the movement of the multiple from 6.3 to 7.1 should be explained. • the increase in Cash Equivalent Transfer Value figures in the Pension Benefits table were not calculated correctly as they did not deduct pension contributions • the layout of the exit packages table was not in line with the requirements of the FT ARM <p>These issues are being addressed in the final version of the Report. We propose to issue an unqualified opinion.</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception in a number of areas:</p> <ul style="list-style-type: none"> • the Annual Governance Statement does not meet the disclosure requirements set out in the NHS foundation Trust Annual reporting manual 2020/21 is misleading or inconsistent with the information of which we are aware from our audit • the information in the annual report is materially inconsistent with the information in the audited financial statements or apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit, or otherwise misleading. • if we have applied any of our statutory powers or duties. • where we are not satisfied in respect of arrangements to secure value for money and have reported a significant weakness. <p>We identified that the Annual Governance Statement did not make reference to how the Trust ensures the quality and accuracy of elective waiting time data, which the Trust is amending in the final version. We also highlighted some disclosures required by the FT ARM that were not included in the draft Annual Report. The Trust are adding these disclosures to the final version. We have nothing to report on these matters.</p>



2. Financial Statements - other responsibilities under the Code

Issue	Commentary
<p>Review of accounts consolidation schedules and specified procedures on behalf of the group auditor</p>	<p>We are required to give a separate audit opinion on the Trust accounts consolidation schedules and to carry out specified procedures (on behalf of the NAO) on these schedules under group audit instructions. In the group audit instructions the Trust was selected as a [sampled/non-sampled] component.</p> <p>There are no unadjusted inconsistencies between the financial statements and the accounts consolidation schedules which we are required to report in our opinion on the consolidation schedules .</p> <p>We have not completed the specified procedures required under the group instructions or submitted our assurance statement. This will be completed when our audit work is concluded.</p>
<p>Certification of the closure of the audit</p>	<p>We intend to delay the certification of the closure of the 2020/21 audit of Torbay and South Devon NHS Foundation Trust in the audit report, as detailed in Appendix E, due to a delay in completing the VFM work in line with the NAO revised timetable.</p>



2. Financial Statements – IT General Controls

Our IT auditors carried out an audit of the design and implementation of IT general controls (ITGC) within the IT environment to support the audit of the financial statements for 2020/21.

The following applications were in scope of this audit:

- Unit4 Business World;
- WinMan;
- Sage;
- TFM;
- DataWarehouse; and
- Active Directory.

The scope of the work included:

- IT General Controls Testing: Design effectiveness assessment over controls for security management; technology acquisition development and maintenance; and technology infrastructure.
- Performing high level walkthroughs, inspected supporting documentation and analysis of configurable controls in the above areas.

Five control weaknesses were noted in the Trust's IT general controls:

- Conflicting application administration and financial reporting related responsibilities
- Inadequate change controls
- Inadequate user access controls
- Inadequate controls over generic privileged user accounts
- Inadequate logging and monitoring of security events

The detailed issues identified and our recommendations are set out in Appendix A: Action plan – IT general controls assessment findings on pages 25 to 28.



3. Value for Money arrangements

Revised approach to Value for Money work for 2020/21

On 1 April 2020, the National Audit Office introduced a new Code of Audit Practice which comes into effect from audit year 2020/21. The Code introduced a revised approach to the audit of Value for Money. (VFM)

There are three main changes arising from the NAO's new approach:

- A new set of key criteria, covering financial sustainability, governance and improvements in economy, efficiency and effectiveness
- More extensive reporting, with a requirement on the auditor to produce a commentary on arrangements across all of the key criteria.
- Auditors undertaking sufficient analysis on the Trust's VFM arrangements to arrive at far more sophisticated judgements on performance, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

The Code require auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under the three specified reporting criteria.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the body delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Financial Sustainability

Arrangements for ensuring the body can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years)



Governance

Arrangements for ensuring that the body makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the body makes decisions based on appropriate information

Potential types of recommendations

A range of different recommendations could be made following the completion of work on the body's arrangements to secure economy, efficiency and effectiveness in its use of resources, which are as follows:



Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.



Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements

3. VFM - our procedures and conclusions

We have not yet completed all of our VFM work and so are not in a position to issue our Auditor's Annual Report. An audit letter explaining the reasons for the delay is attached in the Appendices to this report. We expect to issue our Auditor's Annual Report in August. This is in line with the National Audit Office's revised deadline of 20 September

As part of our work, we considered whether there were any risks of significant weakness in the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. We identified the risk set out in the table below. Our work on this risk is underway and an update is set out below.

Risk of significant weakness

Work performed to date

The Trust's auditor in 2019/20 issued an adverse VFM conclusion due to the in-year deficit, forecast deficit positions and difficulties in delivering saving targets. Although the Trust is forecasting a small deficit in 2020/21, in line with its revised plan, this is mainly due to the block funding arrangements within the NHS due to Covid-19. The underlying financial position of the Trust remains challenging and the focus in current financial year has not been on savings plans or productivity. We will review and consider the arrangements that the Trust has in place to work with partners in the STP to achieve a financially sustainable position for the future, in addition to considering the Trust's own plans to drive further savings and efficiencies.

This has been an unusual year for the NHS. In March 2020 financial planning was suspended to allow the sector to address the Covid-19 pandemic. Finances moved to a block contract arrangement, sufficient to meet expenditure which has allowed the Trust to deliver a small in year deficit in line with its forecast.

We are satisfied that from the work undertaken to review the arrangements in place, that there is no risk of significant weakness in this area for 2020/21, although challenges remain. We have also not identified any issues that would have an impact on our opinion on the financial statements. We will report more fully in our Auditors' Annual Report in September 2021.

4. Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in December 2019 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed in Appendix D

Audit and non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the group. The following non-audit services were identified which were charged from the beginning of the financial year to 17 June 2021 as well as the threats to our independence and safeguards that have been applied to mitigate these threats.

Service	Fees £	Threats identified	Safeguards
Audit related			
Audit of subsidiary company SDH Developments Limited	17,500	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £17,500 in comparison to the total fee for the audit of £85,450 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Audit of Torbay and South Devon NHS Charitable Fund	11,830	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £11,830 in comparison to the total fee for the audit of £85,450 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.

These services are consistent with the group's policy on the allotment of non-audit work to your auditors. All services have been approved by the Audit Committee. None of the services provided are subject to contingent fees.

Transparency

Grant Thornton publishes an annual Transparency Report, which sets out details of the action we have taken over the past year to improve audit quality as well as the results of internal and external quality inspections. For more details see [Transparency report 2020 \(grantthornton.co.uk\)](https://www.grantthornton.co.uk/transparency-report-2020)

Appendices

A. Action plan – Audit of Financial Statements

We have identified a number of recommendations for the group as a result of issues identified during the course of our audit. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2021/22 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
	<p>The Trust was unable to provide supporting evidence for the ownership of IT network/baseline replacements/upgrades for community sites that remain in use, following ICO merger and the transfer of assets from Torbay Care Trust to the Trust. This was due to a lack of supporting documentation provided for some of the assets that transferred during the merger.</p> <p>This asset will be disposed of in 2021/22 as part of the Network Replacement Capital Project and only has a useful remaining life of 6 months at 31/3/21.</p>	<p>The Trust must ensure that it retains supporting documentation for IT equipment assets.</p> <p>Management response</p> <p>Agreed. The asset referred to is Network equipment in place within Community facilities.</p> <p>Upon the Foundation Trust's acquisition of Torbay and Southern Devon Health and Care NHS Trust, for some assets no proof of ownership was available.</p> <p>The Foundation Trust took assurance from the Care Trust's management and External Audit reviews that the completeness and accuracy of the Asset Register was materially correct.</p> <p>If any future NHS acquisitions take place the Trust, will endeavour to obtain more detailed backing documentation.</p>
	<p>The critical judgements and estimation uncertainty disclosures in Note 1.2 include items where it is not clear if they are material to the financial statements, or where there is a risk of a material error in the next 12 months (e.g. Impairments and the estimated useful lives of assets, provisions for expected credit loss and provisions).</p>	<p>Critical judgements should be disclosed where they are material to the financial statements and should detail what judgement was made, rather than setting out an accounting policy.</p> <p>Estimation uncertainty disclosures should be where there is a risk of a material adjustment in the next 12 months. These should set out the nature of the assumptions that give rise to the material uncertainty and the range of possible outcomes.</p> <p>Management response</p> <p>The Trust's view is that there is a degree to subjectivity and estimation when considering Asset valuations and determining asset lives. Likewise, there is also subjectivity assessing provisions for credit losses and therefore the disclosures are relevant.</p>

Action required

- High priority – urgent action should be taken to address the weaknesses identified
- Medium priority – action should be taken to address the weakness identified in a timely manner
- Low priority – action should be taken to move to best practice

A. Action plan – Audit of Financial Statements

Assessment	Issue and risk	Recommendations
	<p>When carrying out our testing of estimated useful lives (EUL) of assets, we identified one asset with a EUL of 7 years where no in-year depreciation had been provided due to an input error. The Trust had identified this along with 4 other assets where no depreciation had been charged but had not been able to rectify the error due to time constraints.</p> <p>Our overall testing of depreciation provided us with assurance that depreciation is not materially misstated.</p>	<p>The Trust must ensure that depreciation is applied to all assets and that its control arrangements identify any anomalies promptly to enable them to be resolved before the year end.</p> <p>Management response</p> <p>The Trust was aware that four assets (out of several thousand assets) hadn't been depreciating. These had occurred due to manual input errors and unfortunately there was insufficient time to rectify these before finalising the general ledger position.</p> <p>The four assets in question were relatively low in value and therefore the impact upon the in year depreciation charge was minimal. I.e. Less than £20k</p>
	<p>We were unable to reperform the valuation calculations for the revalued assets that we selected for testing, as the Group's valuer would not provide the underlying details and their calculations. We have therefore carried out alternative procedures in order to gain sufficient assurance over the values of these assets at 31 March 2021.</p>	<p>The Trust should consider whether it requires their appointed valuer to provide the detailed valuation details and calculations to support the external audit process in future years.</p> <p>Management response</p> <p>Agreed. Discussions will take place with Grant Thornton and the Trust's Valuer to ascertain how the current process can be improved.</p>
	<p>The Trust has a small number of employees that remain in the Local Government Pension Scheme (LGPS) following their transfer from Torbay Council. A material liability associated with staff under the LGPS arrangements would need to be accounted for as a defined benefit scheme under IAS 19, including a liability on the Statement of Financial Position and additional disclosures in the Trust's accounts. The definite numbers are unknown currently and are not likely to be material but it has the potential to be non-trivial amount.</p>	<p>The Trust must establish whether it needs to account for a liability under IAS 19 in its financial statements in respect of staff that remain within the LGPS.</p> <p>Management response</p> <p>Agreed. It is unlikely that the Trust has any liability to the LGPS but if some exposure does exist, the value is likely to be trivial.</p>

Action required

- High priority – urgent action should be taken to address the weaknesses identified
- Medium priority – action should be taken to address the weakness identified in a timely manner
- Low priority – action should be taken to move to best practice

A. Action plan – IT general controls assessment findings

Assessment	Issue and risk	Recommendations
	<p>Conflicting application administration and financial reporting related responsibilities</p> <p>Business World</p> <p>We noted that the Systems Manager Record to Report, Senior Systems Development Manager and Deputy Systems Development Manager had administrative access to the application. The three users also had GL journal approval/self-approval and entry roles. The latter also had the role of Accounts Payable/Receivable clerk.</p> <p>Sage</p> <p>The Management Accountant who had the ability to post journals and ledger maintenance was also assigned the application security administration role.</p> <p>Risks</p> <p>Bypass of system-enforced internal control mechanisms through inappropriate use of administrative functionality by creation of unauthorised accounts; making unauthorised updates to user accounts or deletion of audit logs or disabling logging mechanisms.</p>	<p>Management should consider reviewing the access rights assigned to all system users to identify and remove conflicting access rights. Management should also consider revoking system administration access from users from the finance function.</p> <p>If due to operational requirements access assignments cannot be amended, a formal risk assessment should be undertaken to ensure appropriate mitigating controls are established and implemented. This could include implementing a process for periodically reviewing activities performed by those with conflicting access rights.</p> <p>Management response</p> <p>Business World</p> <p>Agreed a formal risk assessment will be undertaken. Currently it is not practicable at this time for these duties to be transferred from the Systems Team. Additional records of journals posted by the Systems Team, other than feeder files (where records already exist) will be put in place. Independent controls are already in place for the management of cash and transmission of BACs files and these do not involve the Systems Team. The set up of new suppliers requires independent review by two members of the systems team and this is also subject to independent Senior Manager checks.</p> <p>Sage</p> <p>Sage is now only used to reference historic data, within the next few months it will be changed to a read only licence. It should be noted that Sage was only used for sales ledger and inventory management.</p>

Assessment

- Significant deficiency – ineffective control/s creating risk of significant misstatement within financial statements and / or directly impact on the planned financial audit approach.
- Deficiency – ineffective control/s creating risk of inconsequential misstatement within financial statements and not directly impacting on the planned financial audit approach
- Improvement opportunity – improvement to control, minimal risk of misstatement within financial statements and no direct impact on the planned financial audit approach

A. Action plan – IT general controls assessment findings

Assessment	Issue and risk	Recommendations
	<p>Inadequate change controls</p> <p>We noted that a formal documented and approved change management policy and associated procedures were not in place. Consequently, the following issues in relation to change management were identified:</p> <p>Business World, TFM, WinMan and Sage</p> <p>Users responsible for developing program changes had the ability to/ were also responsible for promoting changes into the production environment. As a result, the sample changes tested for Business World and TFM were developed and promoted by the same individual.</p> <p>Data Warehouse</p> <p>For a sample change tested, there was no evidence of testing and approval by business prior to promoting the change to production. Further, post implementation review were not performed for Data Warehouse changes.</p> <p>Risks</p> <p>Without a formal change management policy and procedures, management's intention in relation to managing changes might not be known. Changes might not be made following a robust process that includes sufficient pre-implementation user acceptance testing and approval. These changes could have a negative impact on the consistent operation of key application functionality and subsequently impact on the integrity of data held within or processed by the applications.</p> <p>The combination of access to programming utilities/ability to develop changes and the ability to migrate/deploy changes in the production environment is a high-risk segregation of duties conflict. This may result in unauthorised changes being promoted to the production environment. This could impact the integrity of the applications and data, possibly leading to financial misstatement.</p>	<p>Management should ensure the following:</p> <ul style="list-style-type: none"> • Document and formalise a change management policy and procedures for all applications to cover configuration changes and patching/upgrades. This should include the requirement to retain documentation for each stage of the process (i.e. change requests, user acceptance testing, approvals). • Ensure that all program changes are tested and approved by business users prior to promoting the change into the production environment. • Ensure that post implementation reviews are performed across all applications by appropriate personnel. • Ensure that there is segregation between the duties of developing, testing and promoting changes to the live environment. <p>Management response</p> <p>Business World</p> <p>Agreed a formal change management policy will be published. Currently all changes made go through a comprehensive change management process. Due to resources it is unrealistic to have separate development, testing and promotional staff in place within Systems, but end users are involved in the sign off process. This included a full upgrade to the Business World application during 2020/21.</p> <p>TFM</p> <p>A formal change control policy will be established but existing controls over modifications to the application are considered by the Trust to be strong.</p> <p>WinMan</p> <p>All changes go through a steerco group that agree on what enhancements should be made. Departments request changes and a specification is created by WinMan, this is then checked and signed off by the department and the ERP project manager.</p> <p>The changes are deployed into the training environment and vigorous checks are done, then validated by the validation team.</p> <p>Major changes like version upgrades go through a formal change control.</p>

Assessment

- Significant deficiency – ineffective control/s creating risk of significant misstatement within financial statements and / or directly impact on the planned financial audit approach.
- Deficiency – ineffective control/s creating risk of inconsequential misstatement within financial statements and not directly impacting on the planned financial audit approach
- Improvement opportunity – improvement to control, minimal risk of misstatement within financial statements and no direct impact on the planned financial audit approach


A. Action plan – IT general controls assessment findings

Assessment	Issue and risk	Recommendations
		<p>Management response (continued)</p> <p>Sage</p> <p>The Sage application had no development changes made during the audit period, development changes are only made by the reseller’s development team.</p> <p>Data Warehouse</p> <p>All changes are specified and authorised by the Income team. The Data warehouse team then confirm that we have built and tested the change to their specification and they authorise it to proceed to the next process run. The end users then test the output of that ‘live’ run and let the warehouse team know if there was a problem. As the Data Warehouse team keep the processing database (both code, data and reference-data) for every month we can roll back if required. The specific change that Grant Thornton picked did not have a written authorisation or response to post processing testing: Small changes tend to be verbally confirmed as a package. In future written evidence will be obtained.</p>

Assessment

- Significant deficiency – ineffective control/s creating risk of significant misstatement within financial statements and / or directly impact on the planned financial audit approach.
- Deficiency – ineffective control/s creating risk of inconsequential misstatement within financial statements and not directly impacting on the planned financial audit approach
- Improvement opportunity – improvement to control, minimal risk of misstatement within financial statements and no direct impact on the planned financial audit approach

A. Action plan – IT general controls assessment findings

Assessment	Issue and risk	Recommendations
	Inadequate user access controls	
	Sage For the selected user sample tested for leavers whose last working day was 22/12/2020, the users account was still active. Since Sage is authenticated by the Active Directory, we were unable to determine whether the account had been disabled on Active Directory as evidence was not provided.	Management should ensure that access to applications is revoked on the day it becomes redundant. Management should also consider reviewing user access rights on a periodic basis so as to identify redundant access that had not been disabled. Management response Sage and Winman As WinMan and Sage are a SSO system when their active directory account is deactivated they cannot access either system. Evidence was sent to the auditors to show the date when their user accounts were made inactive.
	WinMan For the selected user sample tested for leavers whose last working day was 01/10/2020, we were unable to determine whether the account had been disabled on the application or Active Directory as evidence was not provided. Risks If system access for leavers is not disabled in a timely manner, there is a risk that resigned employees or current employees may continue to have access to the system resulting in unauthorised access which might be used to process unauthorised transactions.	

Assessment

- Significant deficiency – ineffective control/s creating risk of significant misstatement within financial statements and / or directly impact on the planned financial audit approach.
- Deficiency – ineffective control/s creating risk of inconsequential misstatement within financial statements and not directly impacting on the planned financial audit approach
- Improvement opportunity – improvement to control, minimal risk of misstatement within financial statements and no direct impact on the planned financial audit approach

A. Action plan – IT general controls assessment findings

Assessment	Issue and risk	Recommendations
	<p>Inadequate controls over generic privileged user accounts</p> <p>We noted that there were 6 generic user ID's with database administrator access within the DataWarehouse. We were unable to verify the ownership, purpose and how passwords to these accounts were managed as sufficient evidence was not provided.</p> <p>Further we also noted that the usage of generic privileged accounts was not monitored within Business World and Sage applications.</p> <p>Risks</p> <p>Activities performed via generic accounts may not be traceable to an individual. These accounts may be used to perform unauthorised activities, possibly leading to financial misstatement.</p>	<p>Management should review all generic accounts on applications. Only those that serve a purpose should be retained. Ownership and purpose of these accounts should be documented. The passwords to these accounts should be to be securely stored and only accessed by appropriate personnel.</p> <p>Management should also ensure that the usage of privileged generic accounts is logged and monitored.</p> <p>Management response</p> <p>Datawarehouse</p> <p>The purpose of the 6 generic users accounts will be followed up with the IM&T team to ensure their use is appropriate. Where necessary these accounts will be removed.</p> <p>Business World</p> <p>There is one generic user account on Unit4, user SYSTEM. It is an internal user which should not be used for logging onto the system. It does however have that capability, and so could be used by a natural person to log into the system with a password.</p> <p>The password for this account will be changed daily by the senior systems development manager and the login report run daily for the user at the end of each day. If possible this will be automated.</p>
	<p>Inadequate logging and monitoring of security events</p> <p>We noted that security event logging was not enabled on Sage and Business World.</p> <p>While logs related to transactional activities were logged in the TFM application, security event logs (e.g., repeated invalid login attempts) were not enabled.</p> <p>Risks</p> <p>Without appropriate audit logging and monitoring, unauthorised activities performed might not be detected in a timely manner. can go unnoticed, and evidence of whether or not the attack led to a breach can be inconclusive.</p>	<p>Given the criticality of data accessible through financial applications, logs of information security events (i.e., login activity, unauthorized access attempts, privileged user activity, changes to database tables) should be created and these logs should be formally reviewed for the purpose of detecting inappropriate or anomalous activities. These reviews should ideally be performed by one or more knowledgeable individuals who are independent of the day-to-day use or administration of these systems.</p> <p>Management response</p> <p>Business World</p> <p>Log in to Business World is through the Trust's NHS login. However controls will be reviewed</p> <p>TFM</p> <p>The Trust has active directory federation using windows authentication therefore any TFM users passwords are linked to the NHS login therefore it should be secure.</p>

Assessment

- Significant deficiency – ineffective control/s creating risk of significant misstatement within financial statements and / or directly impact on the planned financial audit approach.
- Deficiency – ineffective control/s creating risk of inconsequential misstatement within financial statements and not directly impacting on the planned financial audit approach
- Improvement opportunity – improvement to control, minimal risk of misstatement within financial statements and no direct impact on the planned financial audit approach

B. Follow up of prior year recommendations

The predecessor auditor identified the following issues in the audit of Torbay and South Devon Foundation Trust's 2019/20 financial statements, which resulted in 6 recommendations being reported in the 2019/20 ISA260 report. We are pleased to report that management have implemented all of the recommendations.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	<p>Revenue and other contracts</p> <p>It was recommended that the Group ensures that contracts are clearly documented and retained centrally. This should include a summary overview document to provide an understanding of the operation of the contract.</p>	The Trust has invested more resources into the Income and Contracting section to ensure that all patient and adult social care related activity is captured within our financial systems and is understood by a wider group of staff.
✓	<p>Timely removal of payroll leavers</p> <p>It was recommended that all line managers are reminded of their responsibilities to timely inform Workforce and Payroll when someone is leaving the Group.</p>	<p>All budget holders were reminded of their responsibilities to promptly notify payroll of all change of circumstance events including leavers.</p> <p>All budget holders were also requested to validate that staff being charged to their budget centres reflect current employees and their known grade and hours of work.</p>
✓	<p>Inventory – cut off</p> <p>It was recommended that, until a new Robot is purchased, the Group undertake an exercise to assess the value on the trolley at the end of each quarter.</p>	Pharmacy were requested to advise the Group's Finance department if a material quantity of stock has yet to be loaded into the Robot at each month end so that the appropriate accounting adjustments can be made. The year-end stock taking instructions for 2020/21 were more explicit to require this unloaded stock to be accounted for.
✓	<p>Inventory – valuation</p> <p>It was recommended that the valuation of stock is reviewed against invoices during the year to ensure that goods are held at the right value.</p>	The 31 March 2021 stock taking instructions place even more emphasis of ensuring that products are being appropriately priced.
✓	<p>Completeness of Register of Interests</p> <p>It was recommended that all declarations are added to the register on a timely basis.</p>	All Senior Managers were reminded of their responsibilities to disclose all interests in third party organisations. Any new interests are recorded in the Register.
✓	<p>Intangible asset lives</p> <p>It was recommended that the Group undertakes an annual review to consider that the asset lives applied to its individual intangibles is appropriate.</p>	The Trust undertakes an annual exercise to validate that its intangible software licences are still in use and to seek the views of Information Asset Owners that the remaining useful lives are reasonable. The exercise to review asset lives will in future be documented more comprehensively.

Assessment

- ✓ Action completed
- X Not yet addressed

C. Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

At the time of drafting this report there are no adjusted misstatements

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Misclassification and disclosure changes	Adjusted?
The financial instruments disclosure in note 35.3 included the annual leave accrual of £3.5 million. As this is not a liability settled in cash, it is not a financial instrument and should be excluded from this note.	✓
The audit fees payable to the external auditor for the statutory audit disclosed within Note 5 included adjustments relating to the prior year. This disclosure should only be those for the audit of the Trust and subsidiary in 2020/21.	✓
There was no accounting policy for Education and training income. All material income streams should have an accounting policy.	✓
The accounting policy for the subsidiary should set out that where the subsidiary's accounting policies do not align with the Trust's UK FRS 102] then amounts are adjusted during consolidation where the differences are material and intra-group transactions, balances, gains and losses are eliminated	✓
The related parties disclosures in Note 37 should cover both the Group and the Trust's related parties and be clearly labelled to make this clear. Disclosures for the Trust should include transactions and balances with its subsidiary.	✓
The restatement of the 2019/20 figures in note 33 (Other financial commitments) did not have a disclosure explaining the reason for the restatement.	✓
A number of other amendments have been made to the draft accounts to correct minor disclosure and presentational issues that do not warrant being individually reported to Those Charged with Governance	✓

C. Audit Adjustments



Impact of unadjusted misstatements

At the time of drafting this report there are no unadjusted misstatements

Impact of prior year unadjusted misstatements

The table below provides details of adjustments identified during the prior year audit which had not been made within the final set of 2019/20 financial statements

Detail	Statement of Comprehensive Net Income £'000	Statement of Financial Position £'000	Reason for not adjusting
An adjustment to holiday pay accrual in respect of the Flowers court case, in which regular overtime worked should be included within the holiday pay accrual.	416	(416)	Not material
Being a projected adjustment resulting from differences noted in the valuation of inventory costings. The actual difference was £324 over a sampled value of £12,854.	397	(397)	Not material
Overall Impact	813	(813)	

D. Fees

We confirm below our final fees charged for the audit and confirm there were no fees for the provision of non audit services.

Audit fees	Proposed fee	Final fee
Trust Audit	85,450	85,450
Audit of subsidiary company SDH Developments Limited	17,500	17,500
Audit of Torbay and South Devon NHS Charitable Fund	11,830	11,830
Total audit fees (excluding VAT)	£114,780	£114,780

Reconciliation of the fees to the financial statements:

- £123k - fees per financial statements
- (20K) – VAT
- £12k – Charity audit fee (not consolidated in the financial statements)
- £115k - total fees per above

E. Audit opinion

For the audit of the financial statements for the year ended 31 March 2021 the National Audit Office (NAO) have confirmed we are not required to produce an Enhanced Audit Report. Our audit opinion is included below.

We anticipate we will provide the group with an unmodified audit report

Independent auditor's report to the Council of Governors of Torbay and South Devon NHS Foundation Trust

Report on the Audit of the Financial Statements

Opinion on financial statements

We have audited the financial statements of Torbay and South Devon NHS Foundation Trust (the 'Trust') and its subsidiaries, associates and joint ventures (the 'Group') for the year ended 31 March 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 7 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Group and the Trust as at 31 March 2021 and of the Group's expenditure and income and the Trust's expenditure and income for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice [2020] ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Accounting Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or the Trust to cease to continue as a going concern.

In our evaluation of the Accounting Officer's conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2020 to 2021 that the Group and Trust's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Group and Trust. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2020) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Group and Trust and the Group and Trust's disclosures over the going concern period.

E. Audit opinion

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Accounting Officer with respect to going concern are described in the 'Responsibilities of the Accounting Officer and Those Charged with Governance for the financial statements' section of this report.

Other information

The Accounting Officer is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the disclosure requirements set out in the NHS foundation trust annual reporting manual 2020/21 or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit:

- the parts of the Remuneration Report and the Staff Report to be audited have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 7 of the National Health Service Act 2006; and
- based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust, the other information published together with the financial statements in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006 in the course of, or at the conclusion of the audit; or
- we refer a matter to the regulator under Schedule 10 (6) of the National Health Service Act 2006 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the incurring of unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

We have nothing to report in respect of the above matters.

E. Audit opinion

Responsibilities of the Accounting Officer and Those Charged with Governance for the financial statements

As explained more fully in the Statement of the Chief Executive's responsibilities as the Accounting Officer the Chief Executive, as Accounting Officer, is responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions included in the NHS foundation trust annual reporting manual 2020/21, for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the Group's and the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer has been informed by the relevant national body of the intention to dissolve the Trust and the Group without the transfer of the services to another public sector entity.

The Audit Committee is Those Charged with Governance. Those Charged with Governance are responsible for overseeing the Group and Trust's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021).
- We enquired of management and the Audit Committee, concerning the Group and Trust's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Audit Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

E. Audit opinion

- We assessed the susceptibility of the Group and Trust's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and fraudulent revenue and expenditure recognition. We determined that the principal risks were in respect of the Trust and in relation to:
 - journals with risk characteristics that we determined as elevated or high risk
 - management estimates in particular those relating to land, buildings and dwellings valuations
 - fraudulent recognition of revenue streams that are not derived from contracts that are agreed in advance at a fixed price
 - fraudulent expenditure recognition, and specifically the completeness of expenditure.
- Our audit procedures involved, which related to the Trust only:
 - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
 - selected journal entry testing, with a focus on journals with risk characteristics that we determined as elevated or high risk, such as large journals, journals posted by staff with elevated access privileges; post year end transactions and journals posted by senior management.
 - challenging assumptions and judgements made by management in its significant accounting estimates in respect of land, buildings and dwellings valuations and the PFI liabilities;
 - evaluation of the Trust's revenue recognition policies and agreeing a sample of revenue transactions to supporting documentation; and
 - assessing the completeness of operating expenditure with a particular focus on the adequacy of year end accruals and testing a sample of transactions recorded close to and after the year end to ensure they were recorded in the correct financial period.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and expenditure recognition, and the significant accounting estimates related to land, buildings and dwellings valuations and the Trust's PFI liabilities.
- Assessment of the appropriateness of the collective competence and capabilities of the Group and Trust's engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the health sector and economy in which the Group and Trust operates
 - understanding of the legal and regulatory requirements specific to the Group and Trust including:
 - the provisions of the applicable legislation
 - NHS Improvement's rules and related guidance
 - the applicable statutory provisions.
 - In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Group and Trust's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, financial statement consolidation processes, expected financial statement disclosures and business risks that may result in risks of material misstatement.

E. Audit opinion

- the Group and Trust's control environment, including the policies and procedures implemented by the Group and Trust to ensure compliance with the requirements of the financial reporting framework.

Report on other legal and regulatory requirements – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

Our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Trust's arrangements in our Auditor's Annual Report. If we identify any significant weaknesses in these arrangements, these will be reported by exception in our Audit Completion Certificate. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2021.

Responsibilities of the Accounting Officer

The Chief Executive, as Accounting Officer, is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor's responsibilities for the review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under paragraph 1 of Schedule 10 of the National Health Service Act 2006 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for Torbay and South Devon NHS Foundation Trust for the year ended 31 March 2021 in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice until we have completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

Use of our report

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Trust's Council of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Council of Governors, as a body, for our audit work, for this report, or for the opinions we have formed.

Barrie Morris, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol



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Appendix 2

Council of Governors 2021 Workplan

Agenda item	3 Feb Quarterly meeting	10 March Board to Council (private)	5 May Quarterly Meeting	7 July Board to Council (private)	4 August Quarterly meeting	22 Sept Annual Members Meeting	3 Nov Quarterly meeting	15 Dec Board to Council (private)
Chairman's Report	X		X		X		X	
Chief Executive's Report	X		X		X		X	
Annual Quality Account						X		
Annual Report and Accounts						X		
Annual Plan		X		X				X
Annual Plan - Governor input		X		X				X
Forward Agenda Plan	X		X		X		X	
Governor training and development	X		X		X		X	
Lead Governor's Report						X		
Feedback from Committee's	X		X		X		X	
Governor's Communication Log	X		X		X		X	
Interim Auditors' Report to Governors					X			
Auditors' Report to Governors						X		
Register of Interests			X					
Appointment of Lead/Deputy Governor	X							
Re-appointment of Chair/NED	X				X			
Appointment of NED					X			
Governance Report	X		X		X		X	
Annual committee membership review			X					
Annual Governor observer review			X					
Membership Development Strategy							X	
Elections update report	X						X	
Election results report	X		X					
Ad hoc reports/presentations	X		X		X		X	

August 2021

Report of the Membership Committee Chair to the Council of Governors

Meeting date:	13 July 2021
Report by:	John Kiddey (Deputy Chair of Membership Committee) and Public Governor, Torbay
This report is for:	Information <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
Link to the Trust's strategic objectives:	1: Safe, quality care and best experience <input type="checkbox"/> 2: Improved wellbeing through partnership <input checked="" type="checkbox"/> 3: Valuing our workforce <input type="checkbox"/> 4: Well led <input type="checkbox"/>
Public or Private	Public <input checked="" type="checkbox"/> or Private <input type="checkbox"/>
Key issues to highlight to the Council of Governors:	
<ul style="list-style-type: none"> • Updated Membership Engagement Action Plan 2021 – following previous Committee decision, a data capture exercise for all Public FT Members had been instigated by the FT Office on 12 July 2021, with aim to improve email and data capture for the FT database. <ul style="list-style-type: none"> ○ Committee agreed to work on a proposal to set out the value/selling points of being a FT Member and get this signed off by the Trust. ○ Key summary questions from the meeting discussion will be circulated to Committee members to formulate/agree the FT Membership Vision Strategy and this will re-set the specific engagement/communications plan for the FT Membership for the next 18 months and will be presented to Council of Governors in due course. • Governor Engagement Feedback Form – agreement to reinforce usefulness of this form as a method for Governors to give positive or negative feedback from constituents, which can be picked up by the Trust Feedback and Engagement group, who spoke at the Committee meeting. Will be re-circulated with Governor Fortnightly newsletter with explanation. • Annual Members' Meeting (AMM) 2021 – views sought from the wider Council of Governors as to whether a virtual AMM should take place, in light of anticipated pressures on NHS in Autumn or whether plans held for a live event on afternoon of 22 September are preferred. 	
Key decision(s)/recommendations made by the Committee:	
<ol style="list-style-type: none"> 1. To note the work ongoing regarding a re-set of FT Membership Vision Strategy for next 18 months 2. To promote use of the Governor Engagement Feedback Form by Governors. 3. To give view on whether the 22 September 2021 Annual Members' Meeting is best planned as "live" or "virtual" event. 	

COUNCIL OF GOVERNORS															
Report title: Feedback and Questions from Members and Governors, including Governor Communication Log		Meeting date: 4 August 2021													
Report appendix	Appendix 1: Governor Communications Log														
Report sponsor	Director of Corporate Governance														
Report author	Membership Manager														
Report provenance	Standing agenda item														
Purpose of the report and key issues for consideration/decision	<p>The Governor Communications Log, shown in Appendix 1 is a standing item. The log details questions raised by Governors and the responses received since the previous Council of Governors meeting.</p> <p>Governors also have the opportunity to submit questions on notice to the Trust ahead of the Council of Governors meeting for response at the meeting. At the time of writing this report no questions on notice had been received.</p>														
Action required	For information <input type="checkbox"/>	To receive and note <input checked="" type="checkbox"/>	To approve <input type="checkbox"/>												
Recommendation	The Council of Governors is asked to receive and note the Governor Communications Log.														
Summary of key elements															
Strategic objectives supported by this report	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 5px;">Safe, quality care and best experience</td> <td style="width: 20px;"></td> <td style="padding: 5px;">Valuing our workforce</td> <td style="width: 20px;"></td> </tr> <tr> <td style="padding: 5px;">Improved wellbeing through partnership</td> <td style="text-align: center;">X</td> <td style="padding: 5px;">Well-led</td> <td></td> </tr> </table>			Safe, quality care and best experience		Valuing our workforce		Improved wellbeing through partnership	X	Well-led					
Safe, quality care and best experience		Valuing our workforce													
Improved wellbeing through partnership	X	Well-led													
Is this on the Trust's Board Assurance Framework and/or Risk Register	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 5px;">Board Assurance Framework</td> <td style="text-align: center;">n/a</td> <td style="padding: 5px;">Risk score</td> <td></td> </tr> <tr> <td style="padding: 5px;">Risk Register</td> <td style="text-align: center;">n/a</td> <td style="padding: 5px;">Risk score</td> <td></td> </tr> </table>			Board Assurance Framework	n/a	Risk score		Risk Register	n/a	Risk score					
Board Assurance Framework	n/a	Risk score													
Risk Register	n/a	Risk score													
External standards affected by this report and associated risks	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 5px;">Care Quality Commission</td> <td></td> <td style="padding: 5px;">Terms of Authorisation</td> <td style="text-align: center;">X</td> </tr> <tr> <td style="padding: 5px;">NHS Improvement</td> <td></td> <td style="padding: 5px;">Legislation</td> <td></td> </tr> <tr> <td style="padding: 5px;">NHS England</td> <td></td> <td style="padding: 5px;">National policy/guidance</td> <td></td> </tr> </table>			Care Quality Commission		Terms of Authorisation	X	NHS Improvement		Legislation		NHS England		National policy/guidance	
Care Quality Commission		Terms of Authorisation	X												
NHS Improvement		Legislation													
NHS England		National policy/guidance													

ID	Date Requested	Governor	Constituency	Summary Description	Executive Lead	Response Date	Summary Response	Status
95	Wednesday 07 April 2021	Craig Davidson	South Hams	<p>From my time on QIG I was struck by how little intelligence was received from Family & Friends and requests for feedback from service users. Response rates were repeatedly below 10% and yet as the process was mandated was continued to be carried out.</p> <p>I was impressed by a paper in the recent BMJ 2021;372:n755 that described the success of one hospital group to address this problem. The consequence was the Trust was rated very highly by patients and staff.</p> <p>The article suggested that promoting the importance of experience versus other metrics of quality led to big improvements. Just wonder if some aspects of what they did might be useful for us?</p>	D Kelly - CN	13.05.2021	<p>Conversation took place between Deborah Kelly, Chief Nurse and Craig Davidson on 13 May 2021. Summary of response been provided by Deborah Kelly for the log for completeness. (BMJ paper was circulated to all Governors on 16.04.2021 with Governor Newsletter).</p> <p>I had a very helpful conversation with Craig on the 13th May regarding using patient experience feedback to drive quality Improvements in the organisation. Craig helpfully shared an article that was published in the BMJ entitled 'Using patient experience to run a hospital'. The article showcased the work of Northumbria NHS Trust and their work of the Chief Patient Experience Officer, Annie Laverty who is in this unique post at Board Level.</p> <p>In our conversation we discussed the recent challenges across the last 12 months and lack of visibility around patient feedback. I was able to share that we had previously adopted the Northumbria approach of real time patient feedback, however due to COVID many of our existing platforms had been disrupted.</p> <p>A key focus in 2021/22 will be to re-establish and enhance many of the previous mechanisms that were in place as well as considering what else we need to consider as part of our innovation journey. We are just about to commence the patient experience work to develop a meaningful strategy and this work will be completed in partnership with those using our services. We will work with Health Watch who have recently set up a group that includes a good cross section of our population and also tap into local establish groups to ensure we focus on what "matters to you". We have also agreed that enhancing the experience of patients through robust listening and feedback opportunities, building partnerships with patients around the co-design of their care, services and care models is a key Improvement Priority for 2021/22.</p> <p>Deborah committed to ensuring that we will progress the work through the QAC and also work with other key leads about the wider Public Engagement Framework</p>	Responded
96	Wednesday 05 May 2021	John Kiddey	Torbay	<p>Liz Davenport told the council of governors that 85% of trust staff have now had both doses of the covid vaccination. I understand that, typically, between 10 and 15% of NHS staff nationally have NOT had the vaccine.</p> <p>I would like to know if the trust has done any work to identify the reasons for this locally. We might well learn some useful lessons if we asked why some people are reluctant to benefit from vaccination.</p>	J Falcão – DWFOD	12.05.2021	<p>The COVID vaccination programme has been very successful with 90% of staff working across the Trust have received a first dose and 85% have also received their second dose at the time Liz reported. The programme of second dose vaccination continues and staff working in the hospital hub call people who have not attended to rebook . The reason they have not attended is often because they have forgotten to attend and the team work to ensure an alternative date and time is offered. In order to understand why some staff have decided not to receive their COVID vaccination we undertook a survey on ICON and 180 staff responded. The main reasons for not receiving the vaccine at that time (February 2021) was :</p> <ul style="list-style-type: none"> - pregnancy/trying to get pregnant/breastfeeding - under 35s. - those wishing to wait their turn with respect to JCVI priorities - those with concerns over safety <p>A meeting was held on 8 March and a communication plan developed to address these concerns. This plan included promoting the vaccine help line already in place to answer concerns and queries, use of screen savers. The guidance at this time in relation to pregnancy, stated that the vaccine should only be given after a risk benefit assessment had been completed with the woman and her obstetrician as there was insufficient safety data. This has since changed and those female pregnant staff and those breast feeding or actively trying to become pregnant now form part of the programme.</p> <p>Part of the plan was to write to all staff that had not been immunised and offer them another opportunity to attend the hospital hub or if they have been immunised elsewhere to inform the Trust. This was approximately 900 staff. 139 staff responded to state that they wish to be immunised which has been completed and 52 informed the Trust that they had been immunised elsewhere.</p> <p>The hospital hub has immunised over 17,600 people since January which includes Trust staff and other health and care providers across the local foot print .</p>	Responded
97	Wednesday 05 May 2021	Craig Davidson	South Hams	<p>Totally agree that the scope of the HWC stakeholders' group has always been broader than simply closure of former hospital and development of the HWC. Disposal/development of the former hospital and Dartmouth clinic have understandably been on the back burner but now need to be considered and consulted upon. Some of the relevant stakeholders are however not represented by current members of our group and I am concerned how a community aspect to a commercial development can be best facilitated. Might it be useful to have an informal chat after tomorrows elections are over?</p>	D Stacey - CFO	12.05.2021	<p>Sent on behalf of both D.Stacey and J.Harrison:</p> <p>Further to your email of 05 May 2021 in relation to the membership of the Dartmouth Health and Wellbeing Centre stakeholder group, I note your concerns that the current membership does not fully represent all relevant stakeholders.</p> <p>It would be helpful if you could advise via the Foundation Trust office which stakeholders you feel are not currently represented by the group's current membership.</p> <p>I have asked that the membership of the group is reviewed at the next stakeholder group meeting which I understand is scheduled for 25 May and any gaps in representation are identified. I have asked that the discussion is clearly documented in the minutes, along with any relevant actions to ensure appropriate representation at future meetings.</p>	Responded
98	Tuesday 11 May 2021	Annie Hall	Teignbridge	<p>Can the Trust confirm if the Horizon Café will be reopening once the Covid Vaccination programme has finished, and lockdown rules allow.</p>	D Stacey - CFO	16.06.2021	<p>As part of the Trust response to COVID and the associated health and safety issues around social distancing, a review of the way training is delivered to our staff has been undertaken. This will obviously impact on the footfall in the Horizon centre and with this in mind a review of the café provision and associated space is being considered. This will include the possibility of creating a staff rest area for use by Trust staff.</p>	Responded
99A	Thursday 20 May 2021	John Kiddey	Torbay	<p><u>Governor Question regarding Elizabeth Ward closure</u></p> <p>I attach the email sent by John Harrison and would appreciate answers to the following questions:</p> <ol style="list-style-type: none"> 1) When was the fire safety review conducted? 2) How long has the management known about the problems of evacuation in Elizabeth ward? 3) Clearly patients in the ward are at risk now so why was the ward not closed as soon as the risks were made clear by the safety advisor? 	J Harrison - COO	25.05.2021	<p>Following the visit of our Authorising Engineer and receipt of their report in relation to Elizabeth ward, the decision was made to close the ward immediately to new admissions and to work quickly and safely to close the ward entirely. Complete closure of the ward was achieved within 24 hours of receipt of the engineer's report. In addition to the actions taken to close the ward, immediately the risk was raised by the engineer, mitigation plans were put in place to ensure safety of patients and staff. These included a fire safety warden and clinical site team support to the nurse in charge for each shift.</p> <p>The inspection of Elizabeth ward is part of a larger project to strategically review all our hospital estate in the context of fire safety and compliance with Health Technical Memoranda 05 (Fire Safety). The project was targeted to review all inpatient settings first with outpatient settings thereafter.</p> <p>With the exception of the maternity building and the critical care unit, which will both be inspected in the coming weeks, the review of all inpatient settings at Torbay Hospital is now complete. The critical care unit was built within the last five years and was designed in compliance with modern fire safety standards, therefore, it has been considered as lower risk than other parts of the hospital site in terms of its physical integrity. It also has very good progressive horizontal evacuation routes. However, as outlined above, it will be reviewed shortly.</p> <p>Once the reviews of the maternity building and the critical care unit are completed, we will begin undertaking reviews in all our community inpatient settings.</p> <p>Adrien Cooper, our Interim Director of Environment, is more than happy to meet with you to provide further assurance if needed. Please do let the Foundation Trust Office know if you would like to arrange a meeting with Adrien.</p>	Responded

99B	Tuesday 25 May 2021	John Kiddey	Torbay	<p>The reply from John Harrison does not answer the first and second questions I asked. They were as follows:</p> <p>1) When was the fire safety review conducted? 2) How long has the management known about the problems of evacuation in Elizabeth ward?</p> <p>I would be grateful for answers.</p>	J Harrison - COO	08.06.2021	<p>Thank you for your subsequent email dated 25 May 2021 regarding Elizabeth Ward closure. Please find the further response from John Harrison, Chief Operating Officer:</p> <p>1) When was the fire safety review conducted? and 2) How long has the management known about the problems of evacuation in Elizabeth ward?</p> <p>Adrien Cooper, Interim Director of Environment was informed of the results of the Authorising Engineer Report on Monday 10 May and met with senior managers that evening. The decision was made to close the ward immediately and immediate mitigations were put in place while we emptied the ward which took place on Tuesday 11 May. The All Staff Communications email was issued on 12 May 2021 to confirm the closure (attached). The answer to the 2nd question is detailed in the 1st answer, in that we found out on the day.</p> <p>Your original question and both responses will be added to the Governor Communications Log.</p>	Responded
100	Monday 25 May 2021	Jonathan Shribman	South Hams	<p>Looking at the section in the Stakeholder Update newsletter (issue 27) I was interested in the section on "Video appointments will patient approval". The article says 1000 questionnaires were sent out and a very high percentage of patients were satisfied. How many of the 1000 questionnaires were returned please?</p>	A Jones - DoTP	07.06.2021	<p>Thank you for raising a question on 24 May 2021 regarding the recent Stakeholder Update Newsletter (Issue 27) and the reference to the video appointments survey responses. Please find below the Trust's response from Adel Jones, Director of Transformation and Partnerships:</p> <p>To explain firstly that this was an exit survey which allowed patients to choose to respond following their video consultation during period 16 September to 18 December 2020. It was not a paper survey and was actually issued to more than 1000 people. Some responded to all of the questions asked, whilst others only responded to some of the questions asked.</p> <p>In summary the response rate was: (please see separate sheet in Appendix A)</p>	Responded
101	Wednesday 23 June 2021	Loveday Densham	Torbay	<p>I would like to bring up the problem of car parking at the main hospital site. I was elected mainly on this issue – at the moment the situation is not acceptable for staff or patients. It seems staff and patients are now having to park in roads further and further away causing people whose houses back on to these roads considerable distress. Patients are booking early appointments so they can hope to be guaranteed a parking space but those with later in the morning and afternoon appointments are put under considerable distress worrying about being late. Clinicians tell me that this frequently leads to patients having a higher blood pressure than normal when checked in clinic. Parking will be an increasing problem when clinics resume back to normal as patients return to face to face appointments plus negotiating their cars around the diversion signs necessary for the proposed building works. I am pleased that future plans incorporate ideas for parking and that this issue will be taken seriously but I am concerned about what patients will be required to do in the interim as it has been predicted that these building improvements for the new hospital will take up to ten years to complete. Would not the sensible solution be to introduce a Park and Ride system for the hospital whilst these building operations are in progress and to lease a field for this purpose?</p>	D Stacey - CFO	07.07.2021	<p>Thank you for your email regarding car parking at Torbay Hospital and points raised.</p> <p>We do currently have good capacity for parking on the Torbay Hospital at present for patients and visitors with spaces available on a daily basis in our overflow car parks and this has been seen from our occupancy reports. In addition, capacity has improved recently due to the completion of our vaccine programme and the return of Car park J.</p> <p>However, a return to normal services, current and future building works will considerably impact capacity and the Trust are working on a strategy to address this challenge which could include temporary decking solutions, additional off-site parking arrangements, park and stride or park and ride opportunities.</p> <p>Due to the size and topography of the land at Torbay Hospital, parking is unfortunately very limited. With the parking spaces we do have available, our priority is to ensure that our patients are able to park to attend their appointments.</p> <p>We do also ensure that there is separate, dedicated parking provision for our staff for the remaining spaces - albeit on a permit basis to offer the most fair and equitable access to the limited spaces. The introduction of agile working has reduced the number of staff vehicles on site and this is planned to continue as a new way of working post Covid.</p> <p>With parking at such a premium on our sites, we must do all we can to ensure that spaces are kept for those most in need of using them – such as our patients.</p> <p>The criteria for staff to obtain a parking permit considers a number of factors, including shift patterns, their ability to use public transport, and if they live within walking distance of the site. If staff do not meet the criteria for on-site parking, we do all that we can to support them with journey planning and other options including off-site parking.</p>	Responded
102	Thursday 10 June 2021	Steven Harden	Torbay	<p>please correct me if I'm wrong but as far as I know there has been no lift on the restriction of Nurses going home in their Uniforms. Yesterday (Wednesday) I had an Hospital appointment, and when I'd finished to return home 3 Sisters (dark blue) got on the same bus that I did. Although one had a Cardigan on I still heard she was going to have something to eat in Sainsburys. I agree it was a bit Humid but surely they of all people should have known better.</p>	D Kelly - CN	18.06.2021	<p>Thank you for your email of 10 June 2021 with regard to your concerns around nurses wearing their uniform in public spaces, specifically on buses.</p> <p>The organisation sets out clear standards around uniform and workwear that all staff are expected to comply with to ensure essential good practice. All staff who are required to wear a uniform should not be undertaking non-work-related activities, including travel on public transport whilst in uniform. Where it is unavoidable, we direct staff to cover their uniform with a coat.</p> <p>While there is no evidence of an infection risk from travelling to and from work in uniform, I accept this can cause concern and that during this time more than ever, all staff must be vigilant and disciplined in their actions to ensure that any potential risk of cross infection is minimised.</p> <p>I extend my sincere apologies to you. Please be assured that I will be taking a number of steps to ensure that our nurses are reminded of the policy standards and their individual responsibility, in complying with essential good practice.</p> <p>Thank you once again for raising these concerns.</p>	Responded
103	Thursday 24 June 2021	Torbay Constituency Governors	Torbay	<p>Is hospital transport now active? Information on the hospital website indicated that it wasn't and this was causing some patients difficulty.</p>	J Harrison - COO	26.07.2021	<p>Thank you for asking me to look at the transport website.</p> <p>There is nothing currently on our website to suggest that our transport service is inactive and I can confirm that our patient transport service is up and running within COVID guidance.</p> <p>If you are able to give any specific examples or detail of where this information was found then we would be able to investigate further.</p>	Responded
104	Thursday 24 June 2021	Torbay Constituency Governors	Torbay	<p>Are we allow to share notes/contents of meetings from other governors? It was accepted that all items must be kept within the Trust!</p>	J Downes - CoSec	30.06.2021	<p>As discussed at the recent Governor Observer's meeting, Committee papers are intended for circulation to Committee members and attendees only. If Governor Observers choose to circulate their own observations of the meetings they attend, then that is for their decision.</p>	Responded
105	Thursday 24 June 2021	Torbay Constituency Governors	Torbay	<p>Use of acronyms. In minutes and notes circulated can the full meaning of abbreviations be given and then subsequently acronyms be used?</p>	J Downes - CoSec	30.06.2021	<p>Committee report authors are asked to follow this process however on occasions this isn't always the case. We can ensure we limit the use of acronyms in minutes as they fall under the Corporate Office' control. We will also remind report authors.</p>	Responded
106	Thursday 24 June 2021	Torbay Constituency Governors	Torbay	<p>We understand that all questions are 'serviced' through the Membership Office but can we clarify that all such questions are copied to the appropriate NED as well?</p>	J Downes - CoSec	30.06.2021	<p>Non-Executive Directors (NEDs) see the Governor Communications log as part of the Council of Governor papers but don't as a matter of course see the Governor questions log in between meetings.</p>	Responded

107	Saturday 10 July 2021	Matthew Arthur	Staff Governors	<p>As a staff governor, could I please enquire as to why the COVID parking permits for staff unable to obtain a regular on-site permit have been ended when we're being told to plan for peak hospitalisations in September?</p> <p>Tonight, I have imaged the most Blue Pathway patients in many months, will need to shower at the end of my shift due to having contact with COVID positive patients and then walk off-site to my car. Could I ask that we consider re-instating these permits for staff that are unable to obtain a permit that regularly work on blue pathways as a matter of urgency? Many Thanks</p>	D Stacey - CFO & Deputy CEO	27.07.2021	<p>Thank you for your email regarding car parking permits and your concerns that staff are unable to obtain a regular user on-site permit whilst being told to plan for peak hospitalisations in September. Unfortunately, we would need to keep to our existing arrangements for permit allocation. Parking is unfortunately very limited and with the parking spaces we do have available, our priority is to ensure that our patients are able to park to attend their appointments. We do also ensure that there is separate, dedicated parking provision for our staff for the remaining spaces - albeit on a permit basis to offer the most fair and equitable access to the limited spaces. The introduction of agile working has reduced the number of staff vehicles on site and this is planned to continue as a new way of working post Covid.</p> <p>The criteria for staff to obtain a parking permit considers a number of factors, including shift patterns, their ability to use public transport, and if they live within walking distance of the site. If staff do not meet the criteria for on-site parking, we do all that we can to support them with journey planning and other options including off-site parking.</p> <p>However, we will be re-instating the temporary covid parking permit again for those staff, who are not current permit holders, but are required as part of their work to shower at the end of their shift, due to having regular contact with COVID positive patients, as soon as possible. We will be contacting the relevant wards/departments who are managing Covid positive patients for details of relevant staff who will fall into this category and will be agreeing this as a process through Silver/Gold command.</p>	Responded
108	Saturday 10 July 2021	Matthew Arthur	Staff Governors	<p>Having consulted a large number of my constituents, as well as staff from other ISUs and a number of individuals who have worked at other trusts within the Peninsula, there is a vast disparity between the hourly rates paid by the trust for our hourly on call standby rates.</p> <p>There has been no uplift in the hourly rate in line with Agenda for Change for the standby or call-in rates in recent memory which I presume must be due to a lack of review?</p> <p>On behalf of my constituents can I please ask whether this policy has been reviewed, why there has been no uplift in line with Agenda for Change and whether a review will take place as urgently as possible?</p>	J Falcão – CPO	15.07.2021	<p>The on-call policy was due for review in June 2021 and due to our COVID 19 backlog this has unfortunately been slightly delayed.</p> <p>I can confirm that the review is now due to commence in earnest, in partnership with staff side colleagues. The review will include regional benchmarking on rates of on call pay. We have agreed that following payment benchmarking, an options appraisal will be provided consideration. We will ensure direct engagement with the areas significantly impacted by on call payments.</p> <p>If I can provide any further information or assistance, please let me know.</p>	Responded

Council of Governors – 4 August 2021
Paper 06.1b - Appendix A

Relates to Question 100:

In summary the response rate was:

	Question	Number of Respondants	High/Very High	Percentage
Q1	How easy was it to join the call	1125	1008	90
Q2	Please rate your sound quality experience	1098	920	84
Q3	Please rate your video experience	1081	936	87
Q4	Please rate your being able to communicate everything you wanted	1056	938	89
Q5	Please rate how you felt your needs were met	1040	946	91
Q6	Please rate experience in being treated with respect and dignity	1020	977	96
Q7	Please rate your experience of feeling that your clinician listened to you	1007	961	95
Q8	Please rate your experience of feeling involved in decisions about your care and treatment	995	937	94
				Yes
Q9	Would you be happy to use video consultations again?	987	917	93
Q10	Were you able to access this video consultation yourself?	982	863	88

Q11 refers to the type of device used to access video consultations n=979

Q12 refers to the browser used n=974

Q13 refers to the age profile n=970 (under 18 years (8%), 19-30 years (12%), 31-50 years (39%), 51-71 years (32%), over 71 years (8%), remainder did not say (1%).

(Over the same period the Trust held 6497 consultation over 3362.14 hours).