

Report to:	Trust Board
Title of report:	Audit Committee Report to Trust Board
Date of meeting:	10 th October 2017
Status:	For Discussion
Chairperson:	Mrs Sarah Dunnett, Non Executive Director
Author:	Mrs Jayne Warner, Trust Secretary

Purpose	This report summarises the assurances received, committee approvals, decisions and concerns raised by the Audit Committee.
Background	This committee meets at least quarterly and takes scheduled reports from the Trust’s Internal and External Audit Providers, Counter Fraud Service, Finance Director and other parties in accordance with an established work programme.
Business undertaken	This was the first meeting of the Committee under the new Chair – Mrs Dunnett. The Committee is currently self assessing in accordance with good practice.
	<p>External Audit</p> <p>The meeting was held without any External Audit attendance. The Trust External Auditors have tendered their resignation following their successful appointment as the Trust’s turnaround partners. In line with statutory requirements the Trust has convened a meeting of its Audit Panel to make the recommendation to the Trust Board for the appointment of the new external audit providers. This work is presented to the Trust Board at this meeting for a decision.</p>
	<p>Internal Audit</p> <p>The Audit Committee approved an updated version of the Internal Audit Plan 2017/18. The plan had been amended to reflect the changing situation within the Trust now in both Financial and Quality Special Measures. Two audits have been removed and two audits have been added to the 2017/18 plan.</p> <p>Internal Audit have issued three reports since the last meeting in July 2017:</p> <ul style="list-style-type: none"> • Sickness absence (significant assurance though limited policy scope) • Consent (significant assurance, limited scope) • Business service and continuity (limited assurance) <p>The Committee asked for these to be shared with and considered by the relevant assurance committee.</p> <p>Of most concern were the findings of the business continuity report which is being considered in detail by the Quality Governance Committee.</p> <p>The Committee highlighted the need for a more rigorous approach to</p>

	<p>implementation of internal audit recommendations and the audit follow up process. The Director of Finance has commenced discussions with our Internal Auditors to ensure that this is strengthened.</p> <p>The Committee Chair received assurance from Internal Audit that the necessary capacity was available to ensure that the Internal Audit Plan for 2017/18 would be met by 31 March 2018.</p> <p>Counter fraud The Committee agreed that the review date for the Counter Fraud, Bribery and Corruption Policy should be extended to March 2018 to allow for the replacement of NHS Protect with NHSCFA and a refresh of the policy as a result of this.</p> <p>The LCFS was asked to provide learning points from all cases.</p> <p>The Committee supported the decision to keep fraud as part of the core training and noted the results of the Trust Annual Fraud Survey.</p> <p>Standing Orders and SFIs The Committee noted that a review had commenced of the Trust Corporate Governance Manual. The Committee agreed that the changes and implications of financial special measures needed to be considered before this could be finalised. These are to be considered by the Committee in January 2018.</p>
	<p>Compliance Report The Committee received a compliance report on governance arrangements. The Committee noted the significant number of waivers which had been used during the previous quarter. A number of these related to the work to support compliance with the fire enforcement notices. The Committee would monitor the use of these and reiterated that these should be the exception.</p>
<p>Risks to refer to risk register</p>	<p>No additional risks to highlight.</p> <p>The Committee considered a report on risk management and noted the continuing work to address the risk management improvement plan. The Committee noted the risk of capacity to continue the improvements and the actions being taken to make key risk management appointments.</p>
<p>Issues to escalate to Board</p>	<p>The Chair highlighted the risk to the Trust of the introduction of the General Data Protection Regulations and asked for assurance that the Trust had an implementation plan in readiness for May 2018.</p> <p>The Committee considered how the Audit Committee would receive assurances from the other Committees and agreed that this would take the form of a verbal report from each of the Committee chairs. The Committee would request an annual written report from each of the committees to confirm that they were meeting their terms of reference.</p>
<p>Challenges and exceptions</p>	<p>None identified</p>

Future exceptional items	
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Attendance

Voting members

Mrs Sarah Dunnett (Chair) Non Executive Director

Mrs Penny Owston, Non Executive Director

In attendance

Ms Karen Brown, Director of Finance, Procurement and Corporate Affairs

Mr Tim Thomas, Director 360 Assurance

Mrs Glynis Onley, Client Manager 360 Assurance

Mr Pete Riches, LCFS

Mrs Jayne Warner, Trust Secretary