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| Report to: | Trust Board |
| Title of report: | Audit Committee Report to Trust Board |
| Date of meeting: | 22 nd March 2019 |
| Status: | For Discussion |
| Chairperson: | Mrs Sarah Dunnett, Non-Executive Director |
| Author: | Mrs Jayne Warner, Trust Secretary |

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| Purpose | To provide the Board of United Lincolnshire Hospitals NHS Trust with a formal report of the work of the Audit Committee since its last meeting, the assurances that have been received and validated, and those that are missing along with the actions to address them. |
| 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 | The Audit Committee met via teleconference on 22 nd March 2019. The meeting was quorate with attendance from the Chairs of FPEC and Workforce and Organisational Development Committees. |
| | <p>External Audit</p> <p>The Committee considered the External Audit Engagement Letter from the Trust’s external auditors, PricewaterhouseCoopers (PwC).</p> <p>The Committee noted the letter and its content and the resource implications for the Trust. The letter was consistent in content with that of previous years other than minor regulatory changes in particular in relation to the Quality Account.</p> <p>The Final Accounts process continued to be on track to deliver. The Quality Account production continued to be reviewed through the Quality Governance Committee.</p> |
| | <p>Internal Audit Progress Report</p> <p>The internal audit progress report was received. The internal audit plan was substantially complete for 2018/19 with three reports outstanding cyber security, data protection toolkit and key financial systems.</p> <p>The Head of Internal Audit Opinion was underway and was not expected to alter from the limited opinion which had been highlighted in the draft statement shared previously with Committee members and was consistent with feedback throughout the year and the number of</p> |

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| | <p>limited assurance reports received.</p> <p>Assurance reports</p> <p>Four assurance reports were provided:</p> <ul style="list-style-type: none"> ◦ <i>Governance</i> (Limited Assurance). This report had already been received by the Quality Governance Committee. The Committee expressed its disappointment at the time taken to complete the review noting the delays both by Trust officers and the Internal Auditors. Internal Audit stated that much of the review of documentation had taken place in early summer 2018 and noted that matters had moved on. The Committee noted the serious issues highlighted and asked that progress against actions be reviewed by the Committee at its next meeting. ◦ <i>Fire Enforcement Funding</i> (Limited Assurance). ◦ <i>Payroll</i> (Significant Assurance). ◦ <i>Medicines Reconciliation</i> (Limited Assurance). <p>The Committee expressed concern at further limited assurance reports being received and asked that these were monitored through the appropriate committees.</p> <p>Internal audit follow-ups</p> <p>Internal Audit reported considerable progress with getting audit follow up actions cleared which had been achieved with work both by the Trust and Internal Audit. The Trust would continue to push and build on this position to continue to improve.</p> <p>The only remaining high risk action was the risk appetite statement which was in progress and had been the subject of the Board development session in March.</p> <hr/> <p>Appointment of Internal Audit Provider 2019/20</p> <p>The Committee were advised that the Trust was now in the standstill period in the appointment of the internal audit provider. The contract would commence on the 1st May 2019.</p> <p>The Committee asked that contract management of the new provider was thorough and that the work on the internal audit plan for 2019/20 commenced at the earliest opportunity.</p> |
| Issues to escalate to | Other than those specifically highlighted above: |

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| Board | <ul style="list-style-type: none">• The status of the current internal audit service procurement exercise.• The substantive completion of the internal audit plan for 2018/19 and receipt of the governance report. |
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