

Report to:	Trust Board
Title of report:	Audit Committee Report to Trust Board
Date of meeting:	9 th April 2019
Status:	For Discussion
Chairperson:	Mrs Sarah Dunnett, Non-Executive Director
Author:	Mrs Karen Willey, Deputy Trust Secretary

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 on 9 th April 2019. The meeting was quorate with attendance from the Chairs of FPEC and Workforce and Organisational Development Committees.
	External Audit The Committee received an update from External Audit and assurance was provided that work is progressing well on the final accounts and annual report. The Committee passed thanks to the Finance and Communication Teams for their hard work. Work is ongoing to review the issue of asset valuation in light of the RICS guidance clarification, an adjustment is anticipated in the IAS260 year end report. The Committee agreed the quality account engagement letter from the auditors noting the indicators provided. The remit of sign off sits with the Quality Governance Committee.
	Internal Audit Progress Report The Committee received an update from Internal Audit and noted that the 2018/19 programme had been completed by April for the first time. The HOIA provided limited assurance which was not unexpected by the Committee.
	Assurance reports Five assurance reports were provided: <ul style="list-style-type: none"> • <i>Cyber Security (Significant Assurance)</i>

	<ul style="list-style-type: none"> • <i>Data Protection Toolkit (Limited Assurance)</i> • <i>Key Financial Systems</i> • <i>Staff Cyber Awareness (Significant Assurance)</i> • <i>Phishing Campaign</i> <p>Subsequent follow up will be undertaken through the appropriate sub-committees. Cyber security will be included in the 2019/20 programme and the Committee will ensure the their obligations are fulfilled through the internal audit focus.</p>
	<p>Introduction and Initial Plan – Grant Thornton</p> <p>The Committee welcomed the new Internal Audit provider Grant Thornton to the Trust. Planning of the 2019/20 programme has commenced and the auditors are keen to get up to speed. It is anticipated a plan will be received to the May meeting however some work can commence with approval of the Audit Chair and Acting Director of Finance and Procurement.</p>
	<p>Counter Fraud</p> <p>The Committee received the progress report from the Local Counter Fraud Specialist. It was noted that there are a number of investigations underway which are taking up capacity, the Acting Director of Finance and Procurement will keep this under review.</p> <p>A draft operational plan for 2019/20 was received and broadly agreed by the Committee however a request for days to be allocated against the four domains of counter fraud work was made.</p> <p>The Committee agreed that there was a need to ensure follow through of investigation findings and control improvements.</p>
	<p>Governance and Compliance</p> <p><u>Standing Orders/Standing Financial Instructions</u> The Committee received the draft SO/SFI's, comments were made in relation to the documents and further work is to be undertaken prior to reporting to the Trust Board in June.</p> <p><u>Annual Governance Statement/Annual Report</u> The Committee were pleased with the work on year end progress including the receipt of the draft annual report and annual governance statement at this stage.</p> <p><u>Final Accounts update</u> The Committee agreed the accounting policies and noted the going concern overview</p>

<p>Issues where the Committee are seeking further assurance</p>	<p>Further assurance is sought on the following items:</p> <ul style="list-style-type: none"> • Overpayments – Internal Audit will review and consider controls, regular reporting to Audit Committee and consideration by Workforce, Transformation and Organisation Development Committee • Gifts and Hospitality Policy • Policies – Clinical and Non Clinical, governance of maintenance, ownership and awareness • Progress Housing liability to be considered by FPEC, April 2019 • Trust Operating Model governance operating as intended • Estates – concerns in relation to procurement