

Update from Audit & Assurance Committee

For: Information

Summary: *This report briefs the Board on the key issues discussed at the meeting of the committee on 24th January 2012.*

Action: *The Board is asked to note the issues highlighted in the report and agree any further action as required.*

Presented by: Edward Cooke (Non-Executive Director)

Author: Edward Cooke (Non-Executive Director)

Notes:

Trust objective:	Please list number and statement this paper relates to. <i>The Board Committees support the achievement of all of the Trust objectives.</i>
Legal:	What are the legal considerations and implications linked to this item? Please name relevant act
Regulation:	What aspect of regulation applies and what are the outcome implications? This applies to <u>any</u> regulatory body – key regulators include: Care Quality Commission, MHRA, NPSA & Audit Commission

Update from the Audit & Assurance Committee

Date	31st January 2012.
Author	Edward Cooke
Audience	Trust Board Members

The Audit & Assurance Committee last met on 24th January 2012.

BAF

The BAF was received in its new format, which was welcomed. It was agreed that any questions on content would be dealt with outside of the meeting prior to the next Board.

The Internal Auditors reviewed lines 1.2.1 (Poor Quality of Care) and 1.3.1 (Adverse Outcomes due to Overcrowding) as part of their rolling audit programme, providing broadly positive assurance for both.

External Auditors

The Audit Commission (AC) introduced their new manager, Jamie Berwick who replaces Justine Thorpe. Audit planning for 2011/12 is well advanced.

AC had recently completed its Independent Examination of the Trust's Charitable Funds Accounts for last year and had given an unqualified opinion.

Under 'other matters' the AC provided updates on (i) the Treasury's Alignment Project (ii) DoH's recent document on an 'all-Foundation Trust Landscape' and (iii) DoH's November publication on 2010/11 Reference Costs. Some informative discussions followed.

Further explanation was provided of the AC's approach in coming to its Value For Money opinion for 2011/12. As the opinion covers both VFM and Financial Resilience, they have the option, in the event of a split decision, of giving a 'qualified except for...' opinion.

Internal Auditors

Internal Audit reports were somewhat sparse at the November meeting but RSM Tenon made up at this one presenting ten reports, in a 91-page document. The majority of reports provided positive assurance but four did not: -

- a. **A&E Performance Management** highlighted some errors in reporting of discharge times. The report was based on old date, some almost two years old. Reassurance from management that systems had improved will be tested when the auditors report again to the next AAC meeting.
- b. **Charitable Funds** received an amber rating because there was no documented investment policy, inadequate donor records, etc. These problems have already been addressed and fund administration is expected to improve now responsibility has been transferred in-house.
- c. **Incident Reporting** was found to be exceedingly slow, ranging from 32 days for Surgical to 66 days for WaCH. Management provided reassurance that serious incidents are reported much quicker than this. Full implementation of the Datix system is expected to address this problem. A follow-up review will be required to gain assurance of this.
- d. **Infection Control** received an amber rating because only 60% of relevant staff had received the necessary training.

Local Counter Fraud Service.

LCFS reported on various fraud avoidance initiatives, as well as a number of suspected fraud cases that are currently being investigated. Some benchmarking data was presented which appeared to show that SaSH is more vigilant than other trusts when it comes to investigating suspected fraud.

Losses, Compensations and Waivers

The routine report was received, with nothing untoward noted. The continuing decline in the number of waivers was welcomed.

Next Audit & Assurance Committee Meeting will be held on 23rd April 2012.

Edward Cooke, Non-Executive Director and Audit & Assurance Chair