

TRUST BOARD IN PUBLIC	Date: 30 May 2013 Agenda Item: 6.1.1
REPORT TITLE:	Audit & Assurance Committee Chair Update
NON EXECUTIVE SPONSOR:	Richard Congdon (Non Executive Director and AAC Chair)
REPORT AUTHOR:	Paul Simpson (Chief Finance Officer)
REPORT DISCUSSED PREVIOUSLY: (name of sub-committee/group & date)	No – Board update
Purpose of the Report and Action Required:	
Approval Discussion Information/Assurance <input checked="" type="checkbox"/>	
Summary: (Key Issues)	
<p>This meeting was held specifically to review and to approve the Draft Annual Report and Accounts plus associated documents for their submission to the DH and to our external auditors (Grant Thornton) by the due date of 22nd April.</p> <p>The key points from the AAC meeting are as follows:</p> <ol style="list-style-type: none"> Draft Annual Report. <u>The Committee reviewed and approved the Draft Annual Report.</u> Draft Annual Governance Statement (AGS): <u>The Committee reviewed and approved the Draft AGS.</u> Final Head of Internal Audit Opinion This report concludes significant assurance can be given on the Trust's system of internal control, designed to meet the organisation's objectives, and that these controls are being applied consistently. Draft Unaudited Accounts: The Committee were presented with the Unaudited accounts which show an unaudited I&E position bottom line of £373K surplus – including a net technical surplus of £119K. <u>The Committee approved the Draft Annual Accounts.</u> 	
Relationship to Trust Corporate Objectives & Assurance Framework:	
<p>This Board sub-committee supports the achievement of all Trust objectives but of specific relevance is: Priority 3: Develop an effective organisation. The whole Board Assurance Framework is discussed at the Committee and is reported on in the report.</p>	

Corporate Impact Assessment:	
Legal and regulatory implications	<p>The AAC reviews assurance in respect of all Trust systems of control which includes reporting and compliance with all statutes applied to an NHS Trust.</p> <p>Financial performance is subject to Schedule 5 of the NHS Act 2006 which provides the “breakeven duty”.</p> <p>The AAC reviews assurance in respect of all Trust systems of control which includes reporting and compliance with all regulation applied to an NHS Trust. The main regulators, however are as follows:</p> <ul style="list-style-type: none"> - External audit (the Audit Commission for this Trust) give an opinion on the Trust’s compliance with International Financial Reporting Standards and with NHS accounting conventions – this is not purely financial and deals with procurement, fraud, transparency and legal duties. It also gives a Value for Money Conclusion on the Trust’s ability to put in place arrangements to deliver economy, efficiency and effectiveness in its use of resources. <p>The Care Quality Commission registers the Trust according to its compliance with regulations concerning the safety and quality of services</p>
Financial implications	<p>No material financial implications.</p> <p>The report provides independent assurance about BAF reporting on financial risk.</p>
Patient Experience/ Engagement	<p>The report includes independent assurance in respect of improvements in patient experience.</p>
Risk & Performance Management	<p>The committee provides assurance about internal control and risk management.</p> <p>This report discusses BAF reporting (and is positive) and also (positive) progress on the implementation of two risk items (response to internal audit reports on incident management and clinical audit) that were rated as “serious control issues” in the 2011/12 Annual Governance Statement.</p>
NHS Constitution/ Equality & Diversity/ Communication	<p>No relevant aspects</p>
Attachments: paper	

Audit & Assurance Committee Chair Update

Date	30 May 2013 (AAC was on 22 April 2013)
Author	Paul Simpson (CFO)
Audience	Trust Board Members

The **key points from the 22 April AAC (Accounts Only) meeting** are as follows:

1. Draft Annual Report:

The Committee reviewed the Draft Annual Report, prior to submission to the DH and to our external auditors. The Committee discussed the balance of the report concluding that the report was not materially misstated.

The Draft Annual Report was approved by the Committee and submitted on time.

2. Draft Annual Governance Statement (AGS):

The Committee received the draft AGS and noted there was no significant control issues to report which is consistent with the findings from internal Audit. It was further noted that there were no information governance issues to be highlighted.

The Committee approved the draft AGS.

3. Final Head of Internal Audit Opinion

The Trusts Head of Internal Audit has provided a clean opinion, based on work undertaken in 2012/13 which provided significant assurance on the Trusts systems of internal control, which are adequately designed to meet the organisation's objectives, and that these controls are being applied consistently.

In particular, follow up work carried out around Clinical Audit and Incident Management areas showed strong progress.

4. Draft Unaudited Accounts

The Committee were presented with the unaudited accounts which shows an unaudited I&E position bottom line of £373K surplus which is adjusted for technical items that DH considers distorting the true position in arriving at a meaningful performance outturn for the year. These items are adjustments for donated assets and also for the impairment arising on the sale of a property asset.

The Committee thanked the finance team for their efforts in compiling the year end accounts within very tight deadlines.

The final audited set of accounts are scheduled to be reviewed and approved by the Committee on the 31 May 2013.

The date for submission to the DH of the final approved annual report, annual accounts plus associated documents is the 10th June and the Trust is currently on target to meet this deadline.

[END]