

TRUST BOARD IN PUBLIC		Date: 27th November 2014	
		Agenda Item: 3.3	
REPORT TITLE:		Audit & Assurance Committee Chair Update	
NON-EXECUTIVE SPONSOR:		Paul Biddle (Non-Executive Director & and AAC Chair)	
REPORT AUTHOR:		Colin Pink Corporate Governance Manager	
REPORT DISCUSSED PREVIOUSLY: (name of sub-committee/group & date)		Audit & Assurance Committee – 11/11/14	
Action Required:			
Approval	Discussion	Assurance (√)	
Summary of Key Issues			
<p>The key points from the AAC meeting were as follows:</p> <p>The committee discussed the draft BAF for public board and confirmed the rating of financial risks, gained assurance on the effect of agency usage on quality and requested updates prior to November Board.</p> <p>The committee noted initial audit work completed by External Audit which indicated no concerns of the management of charitable funds. The committee also noted the balance between managing the Trust’s “going concern” at a time of significant national debate and change in financial systems.</p> <p>The committee discussed recently completed internal audit reports and gained limited assurance from the commitments recorded on the action plans. The committee noted the improvement in management of closure of recommendations.</p>			
Relationship to Trust Strategic Objectives & Assurance Framework:			
SO5: Well - led			
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 	

	<p>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> <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. The report provides independent assurance about BAF reporting on financial risk and counter fraud systems</p>
Patient Experience/Engagement	<p>No relevant aspects</p>
Risk & Performance Management	<p>The committee provides assurance about internal control and risk management. This report discusses BAF reporting</p>
NHS Constitution/Equality & Diversity/Communication	<p>No relevant aspects</p>
Attachments:	
N/A	

TRUST BOARD REPORT – 28th November 2014

Audit & Assurance Committee Chair Update

The Audit and Assurance committee met on the 11/11/2014; it was quorate. The key points from this meeting were as follows:

1) Review of BAF and SRR

The Committee reviewed the previous iteration of the BAF to identify any issues and improvements that could be made prior to the November public board. The committee discussed the red risks described on the BAF and confirmed that the current scoring reflected current level of risk. The committee noted the agreement for the receipt of £1.6 million pounds from the national accident and emergency resilience fund and the effect on the current financial position. The committee also noted the effect of agency spend and were assured that there was no significant impact on quality of care.

2) External Audit update

External audit provided a brief update of the work that had commenced for the financial year. This focussed on initial review of charitable funds which at present provided strong assurance of the systems used and that assurance had been provided that would support audit of “going concern”. The committee reflected on the nature of the balance between national and Trust “going concern” and noted the need for greater clarity at a national level.

3) Internal Audit update

Internal Audit provided summary of activity carried out since the last meeting. The committee focussed on the results of the nice compliance audit which had highlighted issues with the process of central monitoring, however assurance was gained from the commitment to swiftly resolve the issues identified. The committee went on to discuss the issues raised in the project management audit. The committee gained strong assurance from management that supporting systems were being developed to support local project implementation. Strong assurance was also provided that recommendations made by Internal Audit were being resolved effectively.

4) Counter Fraud

The Trust’s Counter Fraud representative provided their update report which gives specific progress of activity to prevent and minimise the impact of Fraud on the Trust. The Committee was assured by the report and discussions that followed.

5) Internal controls and data quality review

The committee noted the review of internal controls associated with clinical governance systems recorded on the internal controls map and requested that it be considered at SQC prior to review at AAC. The committee also noted that

the Executive team where making final amendments to the draft data quality strategy and requested that it be reviewed at private board later in the month.

[END]