

TRUST BOARD IN PUBLIC		Date: 30st June 2016	
		Agenda Item: 3.3	
REPORT TITLE:		Audit & Assurance Committee Chair Update	
NON EXECUTIVE SPONSOR:		Paul Biddle (Non-Executive Director and AAC Chair)	
REPORT AUTHOR (s):		Colin Pink Head of Corporate Governance	
REPORT DISCUSSED PREVIOUSLY: (name of sub-committee/group & date)		Audit & Assurance Committee – 26/05/16	
Action Required:			
Approval (√)	Discussion ()	Assurance (√)	
Purpose of Report:			
This report provides the Board with an executive summary of the May Audit and Assurance Committee and introduces the committee's report to Board.			
Summary of key issues			
<p>The Audit Committee formally adopted the 2015/16 annual accounts on behalf of the Board.</p> <p>External Audit provided strong assurance on the quality of the accounts and a qualified Value for Money conclusion given in relation to the Trust's deficit position.</p> <p>The Trust's reference cost audit carried out by PWC had provided assurance that these had been prepared in accordance with the Costing Guidance issued by Monitor for 2014/15.</p>			
Recommendation:			
To note the report.			
Relationship to Trust Strategic Objectives & Assurance Framework:			
SO5: Well led: Become an employer of choice and deliver financial and clinical sustainability around a clinical leadership model			
Corporate Impact Assessment:			
Legal and regulatory impact		<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 impact	Committee review of Trust financial position
Patient Experience/Engagement	No relevant aspects
Risk & Performance Management	<p>The committee provides assurance about internal control and risk management.</p> <p>This report discusses BAF reporting</p>
NHS Constitution/Equality & Diversity/Communication	No relevant aspects
Attachment:	
N/A	

TRUST BOARD REPORT – 30/06/16
Audit & Assurance Committee (AAC) Chair Update

The Audit and Assurance committee met on the 26/05/2016; it was quorate.

1) Review of Annual Accounts

The Committee reviewed and adopted the Trust's 2015/16 accounts noting External Audits comments on the quality of the accounts and thanking the finance, governance and communication teams. The accounts analysis was well received and it was agreed to share this document with the Board and Governors. The Committee noted and discussed two issues, achievement of CIPs in year and payment practice each of which is anticipated to improve throughout 2016/17.

External Audit indicated that the financial statements were of a good quality, supported by clear working papers. A qualified Value for Money conclusion had been given as the Trust reported a deficit of £6.5 million.

2) Review of Internal Controls

The Trust's internal controls map was reviewed in order to develop a plan of work for 2016/17. In particular the Committee asked that the clinical governance element of the controls map, including clinical audit which was prioritised for review. The Committee also reviewed the updated workforce controls and received good overall assurance of actions taken and improvements made over the last 6 months.

3) 2014/15 Reference Cost Audit

Management presented the final reference cost audit report highlighting that the Trust is compliant on Reference Costs and has an action plan that has been green rated by PWC. The audit provided assurance that reference costs have been prepared in accordance with the Costing Guidance issued by Monitor for 2014/15.

4) Internal Audit Update

Internal audit presented its normal update highlighting strong assurance for the systems that support the Trust's Provider to Provider activities. Internal audit had identified potential improvements in the Trust's mortality and payroll systems providing good overall assurance. The Committee noted that the Trust performance on managing and closing agreed actions remains good.

6) Counter Fraud Update

Counter Fraud provided a summary of work carried out throughout 2015/16 and plans for the coming year. A Trust wide fraud risk assessment is underway, which to date has not identified any significant new concerns.

-End-