

TRUST BOARD IN PUBLIC		Date: 29th September 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 – 13/09/16	
Action Required:			
Approval ()	Discussion ()	Assurance (√)	
Purpose of Report:			
This report provides the Board with an executive summary of the July Audit and Assurance Committee.			
Summary of key issues			
<p>The Committee reviewed the BAF gaining assurance on controls supporting financial risk specifically relating to the income plan.</p> <p>The Committee took assurance from the follow up internal audit review of temporary staffing management.</p> <p>The Corporate Governance Manual was approved for ratification at Public Board.</p>			
Recommendation:			
To note the report.			
Relationship to Trust Strategic Objectives & Assurance Framework:			
<p>SO1: Safe – Deliver safe high quality and improving services which pursue perfection and be in the top 20% against our peers</p> <p>SO2: Effective – As a teaching hospital deliver effective, improving and sustainable clinical services within the local health economy</p> <p>SO3: Caring – Working in partnership with staff, families and carers</p> <p>SO4: Responsive – Become the secondary care provider of choice our catchment population</p> <p>SO5: Well led - Become an employer of choice and deliver financial and clinical sustainability around a patient focused clinical model</p>			

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: - 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> <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 – 29/09/16
Audit & Assurance Committee (AAC) Chair Update

The Audit and Assurance committee met on the 13/09/2016; it was quorate.

1) Board Assurance Framework

The Director of Corporate Affairs presented the BAF for review. The Committee considered elements of the BAF focussing on the potential impact of the development and implementation of STP plans on the Trust's activity and governance. Noting in particular the impact on those Trusts with foundation trust status and the role of Governors.

The Committee considered the financial risks described in the BAF in detail particular the risk relating to income plan. The Chief Finance Officer provided detailed insight into the balance between planned elective growth and actual elective growth seen in 2016, focussing on unplanned elective activity from the Brighton area.

2) Internal Audit discussions, temporary staffing

Internal Audit detailed its findings from the follow up review of management of temporary staffing. Initially this had been and Red/ Amber audit. There was evidence of actions being completed and good assurance that controls had been tightened. The Chief Nurse provided detailed assurance of the actions to date, narrative on current situation and further actions. The Committee took assurance from the report and discussion.

3) Corporate Governance Manual including SFI

Management presented the review and update of the Trust's Corporate Governance Manual (SFI). The Chief Finance Officer highlighted that there were no major changes to discuss. The review had aligned terms of reference, clarified voting systems and clarified control systems. The Committee approved the Manual for ratification at public Board.

4) Other Business

The Committee discussed the Trust's Gifts and Hospitality register noting that the register continued to grow as awareness increased. Internal Audit indicated that the Trust was in a good position, the Committee asked for further detail to be included in further reports.

Management presented a review of losses and special payments. This was discussed in detail and no concerns were raised. Similarly External Audit had carried out a benchmarking exercise on the Trust's bad debt provision. The Committee noted that the Trust had a high bad debt provision which is linked to overseas patients and proximity to Gatwick. The Committee took assurance on the management of bad debt provision from management and Internal Audits commentary.

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