

TRUST BOARD IN PUBLIC		Date: 28th July 2016	
		Agenda Item: 3.4	
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 – 12/07/16	
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 noted:</p> <ul style="list-style-type: none"> • Strong assurance from External Audit on the quality of end of year accounts and development of the Quality Account • The Trust's Counter Fraud, Self Review Tool (SRT) review of had been scored green and the Trust is compliant with the requirements of NHS Protect. <p>The Committee agreed Internal Audits plan of work for the next 12 months, including reviews of temporary staffing and workforce; consultant job planning; incident management and clinical audit.</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:	
Annual Audit Letter, External audit review of Quality Account	

TRUST BOARD REPORT – 29/07/16
Audit & Assurance Committee (AAC) Chair Update

The Audit and Assurance committee met on the 12/07/2016; it was quorate.

1) Review of Internal Audit Plan for 2016/17

Internal Audit presented its plan for the coming 12 months. The amount of activity had been reduced following the tendering process and overall improvement of audit findings. This had been reviewed by the Executive and aligned with strategic objectives. The four main areas of focus will be; temporary staffing and workforce; consultant job planning; incident management and clinical audit. There will also be elements of audit of divisional governance systems, theatre management and implementation of seven day working. The Committee agreed the plan.

2) External Audit, Annual Audit letter and Review of Quality Account

External Audit presented the Annual Audit letter for the Trust (attached). This summarises the key findings from the audit of the Trust's 2015/16 annual accounts. This gave an unqualified opinion on the Trusts financial statements from which the Committee took strong assurance.

It also gave a qualified opinion on the Trust's 'value for money' conclusion stating that they were satisfied that the Trust put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources except for the fact that the Trust made a deficit of £6.5 million in 2015/15, having previously planned to make a surplus of £1.6 million.

The development of the Quality Account provided strong assurance (attached) that the account was compliant with guidance. Noting that the language used in the report is balanced by the key messages recorded on page 4 of the report.

3) Internal Control systems

Management presented its plan for review of internal control systems over the next two years highlighting plans to review data quality and clinical governance systems including clinical audit. The Financial Controller presented a paper on losses and waivers detailing the end of year position. The Committee took assurance that the system systems supporting losses and waivers are sound.

4) Other Business

Counter Fraud presented its regular update highlighting that the Trust's Self Review Tool (SRT) was completed and returned to NHS Protect. All areas of review were green and the Trust is compliant with NHS Protect guidance.

The Committee discussed the tender of an External Audit provider, and decided to add Paul Simpson the Chief Finance Officer to the Audit Panel, which is now constituted of the 3 NEDs on the Audit Committee and the Chief Finance Officer.

-End-