

TRUST BOARD IN PUBLIC		Date: 27th July 2017 Agenda Item: 4.4	
REPORT TITLE:		Audit & Assurance Committee Chair Update	
NON EXECUTIVE SPONSOR:		Paul Biddle (Non-Executive Director and AAC Chair)	
REPORT AUTHOR (s):		Colin Pink Acting Director of Corporate Affairs	
REPORT DISCUSSED PREVIOUSLY: (name of sub-committee/group & date)		Audit & Assurance Committee – 13/07/17	
Action Required:			
Approval ()	Discussion ()	Assurance (√)	
Purpose of Report:			
Summary of the July Audit and Assurance Committee.			
Summary of key issues			
<p>The key issues discussed at the meeting were;</p> <ul style="list-style-type: none"> • Review of BAF and internal controls. • Review of completion of Internal Audit reviews and plan for 2016/17. • Assurance from External Audit on accounts, value for money and quality account. 			
Recommendation:			
To receive the meeting update and Annual Audit Letter from External Audit.			
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		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>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:	
External Audit Annual Audit Letter 2016/17 and Report on the Quality Account 2016/17	

TRUST BOARD REPORT – 27/07/17

Audit & Assurance Committee (AAC) Chair Update

The Audit and Assurance committee met on the 13/07/2017; it was quorate.

1) Board Assurance Framework

The Committee considered the BAF in preparation for the July Board and made recommendations for potential changes to narrative to support the description of strategic risk.

2) Internal Control

The Committee considered management's review of partnership working controls and asked that it and controls relating to the governance of STP are reviewed once the governance arrangements had started to embed later in the year.

The Committee also considered the plan for review of controls throughout 17/18, noting the alignment to the BAF.

3) Internal Audit

Internal Audit presented its review of consultant job planning which provided limited assurance over the Trust's controls. The Chief of Surgery, supported by colleagues from corporate workforce provided assurance that electronic systems are being put in place that will resolve the issues found in the audit, registers of job plans, consistency of content and format and ability to job plan across the Trust rather than service specific plans that are in place. The audit also identified possible improvements in recording of insurance details for consultants carrying out private practice on Trust premises. The Director of Corporate Affairs provided assurance that this improvement had been considered and implemented.

Internal Audits review of theatre utilisation provided good assurance of the design of the Trust's systems and controls.

Internal audit presented the plan for activity during 17/18. The Committee considered the plan and agreed amendments to increase the value of assurance and alignment with Trust priorities.

4) External Audit

The Committee took significant assurance from External Audits annual letter. External Audit have given an unqualified opinion on the Trust's financial statements, which is the highest level of assurance possible for this review.

Similarly External Audit provided an unqualified opinion on the Value for Money review of the Trust and were satisfied that the Trust has put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources. This is a significant achievement for the Trust and is based on financial surplus delivered in 2016/17 and strength of plans going forward.

External Audit presented its review of the quality account providing an unqualified limited assurance opinion, this is the highest level of assurance possible from the scope of the audit.

The meeting was Grant Thornton's last meeting as External Audit and the AAC gave a vote of thanks for their work with the Trust over recent years.

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