

<b>TRUST BOARD IN PUBLIC</b>		<b>Date: 26th January 2017</b>	
		<b>Agenda Item: 6.1</b>	
<b>REPORT TITLE:</b>		Audit & Assurance Committee Chair Update & Annual Report	
<b>NON EXECUTIVE SPONSOR:</b>		Paul Biddle (Non-Executive Director and AAC Chair)	
<b>REPORT AUTHOR (s):</b>		Colin Pink Head of Corporate Governance	
<b>REPORT DISCUSSED PREVIOUSLY:</b> (name of sub-committee/group & date)		Audit & Assurance Committee – 18/01/17	
<b>Action Required:</b>			
<b>Approval ()</b>	<b>Discussion ()</b>	<b>Assurance (√)</b>	
<b>Purpose of Report:</b>			
Summary of the January Audit and Assurance Committee.			
<b>Summary of key issues</b>			
<p>The Committee reviewed the BAF and early consideration for the 2017/18 BAF.</p> <p>The Committee considered internal audits review of the governance surrounding the management of C-section focussing.</p> <p>The Committee reviewed and agreed the annual report to Board (attached).</p>			
<b>Recommendation:</b>			
To receive the Committee annual report and meeting update.			
<b>Relationship to Trust Strategic Objectives &amp; Assurance Framework:</b>			
<p><b>SO1:</b> Safe – Deliver safe high quality and improving services which pursue perfection and be in the top 20% against our peers</p> <p><b>SO2:</b> Effective – As a teaching hospital deliver effective, improving and sustainable clinical services within the local health economy</p> <p><b>SO3:</b> Caring – Working in partnership with staff, families and carers</p> <p><b>SO4:</b> Responsive – Become the secondary care provider of choice our catchment population</p> <p><b>SO5:</b> Well led - Become an employer of choice and deliver financial and clinical sustainability around a patient focused clinical model</p>			

<b>Corporate Impact Assessment:</b>	
<b>Legal and regulatory impact</b>	<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>
<b>Financial impact</b>	Committee review of Trust financial position
<b>Patient Experience/Engagement</b>	No relevant aspects
<b>Risk &amp; Performance Management</b>	<p>The committee provides assurance about internal control and risk management.</p> <p>This report discusses BAF reporting</p>
<b>NHS Constitution/Equality &amp; Diversity/Communication</b>	No relevant aspects
<b>Attachment:</b>	
Audit & Assurance Committee Annual Report	

## **TRUST BOARD REPORT – 26/01/17**

### **Audit & Assurance Committee (AAC) Chair Update**

The Audit and Assurance committee met on the 18/01/2017; it was quorate.

#### **1) Board Assurance Framework**

The Committee discussed the development of the BAF focussing on the development of the described risks going into 2017/18 and the balance between short term and long term strategic risks. The Committee has asked for early sight of the 2017/18 BAF in its draft stages. The Committee went on to discuss the management of the financial risks described on the BAF and agreed with management how best to record the current financial position, noting that the final wording would need to be agreed by the Board.

#### **2) Internal Audit discussions**

The Committee discussed the internal audit of the management of caesarean section with the Chief of WACH present. This provided a good assurance over the governance of the over sight of c-section rates. Focussing on benchmarking performance, birth choice clinics and agreed actions to strengthen overall assurance.

#### **3) Counter Fraud**

The Counter Fraud Specialist presented their usual update which included a general counter fraud risk assessment. This provided the Committee with good assurance of general controls and insight into the areas of potential high and low risk fraud that the Trust was at risk too. The risk assessment provides focus for the plan of work and is shared with Internal Audit to ensure joint working and intelligence gathering.

#### **4) Other Business**

The Committee reviewed and agreed the annual report to Board. The Committee has identified the following as main challenges for 2017:

- 1) Ensuring maintenance of controls during a challenging and changing financial situation.
- 2) To challenge and seek assurance that robust contracts are established with the CCGs based on payment by results.
- 3) To continue to build on the assurance that effective operational HR processes have been put into place.
- 4) To gain assurance of the controls and governance of external factors which could have significant impact on the Trust.

The Committee asked that management to commence the updating of the Trust's internal controls map specifically to support the corporate governance of STP.

The Committee reviewed losses comps and waivers which provided assurance over the controls that support the system.

End