

TRUST BOARD IN PUBLIC		Date: 30th March 2017	
		Agenda Item: 6.2	
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 – 16/03/17	
Action Required:			
Approval ()	Discussion ()	Assurance (√)	
Purpose of Report:			
Summary of the March Audit and Assurance Committee.			
Summary of key issues			
<p>The key issues discussed at the meeting were;</p> <ul style="list-style-type: none"> • The review of corporate governance controls, • Consideration of how to describe the 'going concern' at end of year • Assurance on financial feeder systems and management of SI reporting • Internal Audit's benchmarking exercise to support CIP 			
Recommendation:			
To receive the Committee annual report and meeting update.			
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: - 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 – 30/03/17
Audit & Assurance Committee (AAC) Chair Update

The Audit and Assurance committee met on the 16/03/2017; it was quorate.

1) Internal Controls framework Corporate Governance

The Committee discussed the internal controls, taking overall assurance from management's review of systems in place. The Committee noted that actions are being taken to develop service specific continuity plans. The Committee asked for the corporate governance controls to be updated to include greater detail of the supporting internal governance around the management of the STP and include a section on partnership working.

2) Going Concern and end of year reporting

The Committee discussed how External Audit are planning on reviewing the annual accounts and how they might deal with the review of the 'going concern'. These were discussed in detail and the Committee was happy with the proposals on how best to carry out the audit and consider its findings. Management agreed to prepare a paper that details the Trust's 'going concern' to be discussed alongside the review of draft accounts in April.

3) Internal audit review

Internal Audit presented their update on activity since the last meeting. This provided good assurance on actions to increase control of systems and a full assurance review of the Trust's financial feeder systems. The audit of management of the Trust's serious incident reporting system provided reasonable assurance. This is a big improvement of previous reviews of the system and reflects the significant work that has been carried out to roll out DATIX web and develop controls/reporting for the online system.

Internal Audit carried out a benchmarking exercise to support the Trust's review and development of cost improvement programmes. This identified areas of potential productivity gains for the Trust such as management of cancellations, length of stay and delayed transfers of care. This report provided a good deal of 3rd line assurance as it aligned with other sources of internal information and has been shared with the operational teams.

4) Other Business

The Committee considered the BAF for the March public Board and how individual risks maybe developed going into 2017/18. The Committee discussed the narrative detailed in the financial risks of the BAF and noted that for delivery of forecast end of year position, elective activity, management of potential disputes and delivery of CQUIN projects would be key.

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

End