



## BOARD OF DIRECTORS MEETING (Open)

Date: 8 November 2017

Item Ref: 19(a)ii

<b>TITLE OF PAPER</b>	Audit Committee – Summary Report to the Board of Directors in respect of Significant Issues
<b>TO BE PRESENTED BY</b>	Mr. Mervyn Thomas, Interim Chair – Audit Committee Non-Executive Director
<b>ACTION REQUIRED</b>	For Assurance
<b>OUTCOME</b>	To report items of significance discussed at the Audit Committee meeting held on 17 October 2017
<b>TIMETABLE FOR DECISION</b>	None required.
<b>LINKS TO OTHER KEY REPORTS / DECISIONS</b>	Minutes of the Committee.
<b>LINKS TO OTHER RELEVANT FRAMEWORKS BAF, RISK, OUTCOMES</b>	Trust Board Assurance Framework NHS Audit Framework
<b>IMPLICATIONS FOR SERVICE DELIVERY AND FINANCIAL IMPACT</b>	Timely reporting to the Board of Directors
<b>CONSIDERATION OF LEGAL ISSUES</b>	None required.

<b>Author of Report</b>	Mervyn Thomas
<b>Designation</b>	Interim Chair – Audit Committee (Non-Executive Director)
<b>Date of Report</b>	October 2017



## SUMMARY REPORT

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**Report to:** Board of Directors

**Date:** 8 November 2017

**Subject:** Audit Committee – Summary Report to the Board of Directors in respect of Significant Issues

**Author:** Mervyn Thomas, Interim Chair – Audit Committee (Non-Executive Director)

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### 1 Purpose

<i>For Approval</i>	<i>For a collective decision</i>	<i>To report progress</i>	<i>To seek input from</i>	<i>For information</i>	<i>Other (please state below)</i>
		X		X	

To report in a timely manner, items of particular significance discussed at the Audit Committee meeting held on the 17 October 2017.

### 2 Summary

Board members will receive the minutes of the Audit Committee meeting held on the 17 October 2017 in due course, however, at the end of the meetings, the Committee agreed by means of this report to notify Board members of the following significant issues.

- 360 Assurance Internal Audit 2017/18 Progress Report

It was confirmed that the programme of work in respect of providing the Trust with its Head of Internal Audit Opinion Statement at the end of the financial year, will be undertaken in four stages phased throughout the year:

Stage 1 – a programme of work to provide a level of on-going assurance regarding the effectiveness of the organisation’s framework;

Stage 2 – A survey to Board members considering the wider governance, organisational culture and transparency and use of the Assurance Framework;

Stage 3 – A review of the use of the Assurance Framework as a strategic management tool and a review to ensure actions identified from stages 1 and 2 have been addressed;

Stage 4 – Confirm arrangements for review in line with expectations including Board

engagement and review of the level of discussions held in key meetings. Also, to review the effectiveness of the implementation of audit recommendations and to consider any wider assurances that may impact on the Head of Internal Audit Opinion.

The Committee welcomed this staged approach.

- Internal Monitoring Tracker - 360 Assurance Internal Audit Reports

The Committee received and were duly assured by the receipt of the internal monitoring tracker which is to be used in respect of monitoring progress against Internal Audit Report agreed actions.

- Counter Fraud, Bribery & Corruption Progress Report

The Committee received an update on the work of the Counter Fraud Specialist. During discussion on this item it was noted that, in comparison to similar sized organisations, the Trust was slightly over-activity in terms of the number of potential fraud investigations. However, this is seen as a positive result of the level of counter fraud awareness work undertaken within the Trust and a reflection of a culture where staff are able to report such issues.

- Board Assurance Framework

The Committee received two proposed BAF models for consideration and recommendation to the Board of Directors for use going forward and following due consideration it was agreed that Model 1 would be recommended to the Board.

The Committee noted the intention to fully automate the population of the BAF, thereby enabling owners to take greater accountability of their risks.

NED members provided challenge in respect of the relevance and appropriateness of controls and assurances provided within the BAF. It was agreed that the rating of BAF item A404 v.1 would be reviewed in light of the outcome of the recent IT Strategy Audit Report which provided a limited opinion statement and comments received in the meeting regarding cyber security. A404 v.1 is currently rated as providing significant assurance.

- Risk Management Strategy

The Committee received the Risk Management Strategy for review. The Strategy was recommended for approval by the Board of Directors at its November meeting.

- Managing Conflict of Interest in the NHS - Policy

Further to discussion at the September Board of Directors' meeting, it was agreed that the Audit Committee should consider the Managing Conflict of Interest in the NHS Policy in respect of particular comments made at the Board regarding pharmaceutical sponsorship and whether there should be clearer narrative regarding this element. Following discussion it was concluded that revised policy sufficiently reflected the current position and that it was not necessary to amend the policy further.

### **3 Next Steps**

The above items will be taken forward by the Committee as appropriate and to timescales agreed via the action log.

### **4 Required Actions**

For the Board of Directors to note the issues raised and receive assurance that the Committee will action the resulting issues as appropriate.

## **5 Monitoring Arrangements**

Through Audit Committee as appropriate.

## **6 Contact Details**

For further information, please contact:

Mervyn Thomas,  
Interim Chair – Audit Committee (Non-Executive Director).