



BOARD OF DIRECTORS' MEETING 8th February 2017

Open BoD: 08.02.17
Item: 11i

TITLE OF PAPER	Audit Committee – Summary Report to the Board of Directors in respect of Significant Issues
TO BE PRESENTED BY	Mrs. Ann Stanley, Chair – Audit Committee Non-Executive Director
ACTION REQUIRED	For assurance

OUTCOME	To report items of significance discussed at the Audit Committee meeting held on: 31 st January 2017
TIMETABLE FOR DECISION	None required.
LINKS TO OTHER KEY REPORTS/DECISIONS	Minutes of the Committee
LINKS TO THE NHS CONSTITUTION & OTHER RELEVANT FRAMEWORKS BAF, RISK, OUTCOMES ETC	<ul style="list-style-type: none"> Trust Board Assurance Framework NHS Audit Framework <p>HSE <input checked="" type="checkbox"/> MH Act <input type="checkbox"/> Equality <input type="checkbox"/> BME <input type="checkbox"/> Disability Legislation <input type="checkbox"/></p> <p>NHS Constitution: Staff Rights <input type="checkbox"/> Patients' Rights <input type="checkbox"/> Public's Rights <input type="checkbox"/> Principles <input type="checkbox"/> Values <input type="checkbox"/></p>
IMPLICATIONS FOR SERVICE DELIVERY & FINANCIAL IMPACT	Timely reporting to the Board of Directors
CONSIDERATION OF LEGAL ISSUES	None required.

Author of Report	Ann Stanley
Designation	Chair – Audit Committee (Non-Executive Director)
Date of Report	January 2017

SUMMARY REPORT

Report to: Board of Directors

Date: 8th February 2017

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

Author: Ann Stanley, Chair – Audit Committee (Non-Executive Director)

1. Purpose

To report in a timely manner, items of particular significance discussed at the Audit Committee meeting held on 31st January 2017.

2. Summary

Board members will receive the minutes of the Audit Committee meeting held on 31st January 2017 in due course. However, at the end of that meeting, the Committee agreed by means of this report to notify Board Members of the following significant issues.

- Briefing Paper: Preparation of the Financial Accounts 2016/17 – Adoption of “Going Concern”
The committee received the annual briefing paper prepared to assist in assessing the “going concern” position of the Trust. Members were advised that although it is the general default position that a Trust is considered a “going concern”, unless it is in severe financial difficulties, an assurance was received that the process of determining this status had been taken seriously and the briefing paper highlighted the review work undertaken to reach the conclusion that the Trust be deemed a “going concern”.

After due consideration the committee endorsed this conclusion for recommendation to the Board of Directors and this will be received by the Board of Directors at their March meeting.

- NHS Protect Annual Security Report 2015/16 & Self-Review Return
The committee received the Security Report and self-review return which the Trust is required to undertake and evidence to demonstrate compliance with the NHS Protect Security Management Standards for NHS providers. It was noted that this was the first time the committee had received this report which provided significant assurance on the improving position of the Trust’s compliance with these standards when compared to previous years.

It was agreed to receive this report and an update on the action plan on an annual basis.

- Board Assurance Framework
The committee received the updated version of the Board Assurance Framework for the financial year 2016/17 and members commended the on-going improvements being made to this document. In terms of additional assurance, internal audit will commence some random testing of the controls described in the BAF and include findings in a future audit report to the Committee.
- Internal Audit Reports - Progress against Plan for 16/17
It was noted that there still appeared to be a high level of outstanding audits due for completion before the year end. Assurance was received that completion of the audits would remain a priority in order that the internal audit opinion could be delivered in accordance with the year-end timetable. The committee also confirmed the intention to circulate future audit reports for inclusion on the relevant Committee agendas.

- Internal Audit Plan 2017/18
Further to the recent audit planning meeting the committee approved the draft 2017/18 Internal Audit Plan, subject to minor amendment in respect of Executive leads and responsible officers.
- External Audit Plan 2016/17
The committee received and approved the External Audit Plan 2016/17 in respect of the completion of the Annual Accounts process for this year. The committee noted the inclusion of an additional sector risk of potential misstatement of recognisable income from Sustainability and Transformation Funding (STF) re delivery of control totals. This will be addressed as part of the financial statements audit approach.
- Briefing Paper: Standing Orders; Standing Financial Instructions & Scheme of Delegation Breaches Report
The committee received for information and assurance the outcome of the quarter 3 review of breaches against the Trust's approved Standing Orders, Standing Financial Instructions and Scheme of Delegation, noting that this had been received by the Finance & Investment Committee. Members noted the reducing level of compliance issues being recorded and the action being taken to reduce these further where appropriate.

Members received assurance regarding the actions being taken in respect of ensuring compliance with the Trust's off payroll policy "Engaging Self-Employed Contractors" and reducing agency usage.

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. Contact Details

For further information, please contact:

Ann Stanley
Chair – Audit Committee (Non-Executive Director)