



OPEN BOARD OF DIRECTORS' MEETING

14 February 2018

Open BoD 14.02.18
Item 17i(b)

TITLE OF PAPER	Audit Committee – Summary Report to the Board of Directors in respect of Significant Issues
TO BE PRESENTED BY	Ms. Ann Stanley, Chair – Audit Committee Non-Executive Director
ACTION REQUIRED	For assurance
OUTCOME	To provide assurance to the Board that the Audit Committee has discharged its duties as directed by the agreed Terms of Reference by the timely reporting of items of significance discussed at the meeting held on 23 January 2018.
TIMETABLE FOR DECISION	None required.
LINKS TO OTHER KEY REPORTS / DECISIONS	Minutes of the Committee.
LINKS TO OTHER RELEVANT FRAMEWORKS BAF, RISK, OUTCOMES	<ul style="list-style-type: none"> • Trust Board Assurance Framework • NHS Audit Framework
IMPLICATIONS FOR SERVICE DELIVERY AND 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	February 2018



SUMMARY REPORT

Report to: Board of Directors

Date: 14 February 2018

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

<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 23 January 2018.

2 Summary

Board members will receive the minutes of the Audit Committee meeting held on 23 January 2018 in due course, however, at the end of the meeting, the Committee agreed by means of this report to notify Board members of the following significant issues.

- Board Assurance Framework

The Board Assurance Framework was reviewed by the Committee and comments in respect of the attached summary report and the provision of the detailed audit trail was discussed. It was suggested that the levels of assurance of adequacy of controls within the body of the BAF be provided on the summary document. The Audit Committee Chair offered to meet with the Director of Corporate Governance if this would be helpful.

The Committee were assured regarding the improving level of engagement and interrogation of the Board Assurance Framework at sub-committee level.

The Committee were keen to ensure that the Board Assurance Framework is used to drive Board agendas moving forward.

Following a full review it was noted that no changes to the levels of assurance presented were required.

- Corporate Risk Register

The Committee reviewed the Corporate Risk Register, noting no significant changes.

- 360 Assurance Internal Audit Progress Report – Follow up Audits

The Committee received the 360 Assurance Internal Audit progress report and noted a drop in the level of audit recommendations which had been completed by the time of follow up audits. The Committee expressed some concern as this represented a deterioration from the October position and had also been a key feature of the 2016/17 year end internal audit opinion. As a result, a lot of hard work had gone into the Trust's internal tracker of outstanding actions which was a standing item at EDG meetings, as well as Audit Committee meetings. The Committee were assured that focus on timely implementation of actions would be maintained and there was discussion regarding sufficient time to allow recommendations to move through Trust processes. However the Committee voiced the expectation that the situation would improve.

- 360 Assurance Internal Audit Progress Report – Internal Audit Reports

The "Limited Assurance" outcome of the following internal audit reports were specifically brought to the Committee's attention:

Readiness for Trust compliance with changes (due May 2018) to General Data Protection Regulations (GDPR). Trust compliance was required and a report to Board would be forthcoming.

Operational Risk Management. This audit followed sign off of the Trusts Risk Management strategy. A project would be initiated to address the issues raised in the report.

Members also noted disappointing response in respect of survey of Board members on the wider governance, organisational culture and transparency and use of the Assurance Framework. IA reported usual response rates of round 50%, whereas only 3 Trust Board members had responded.

- Annual Accounts & Associated Reports - Production Timetable

Upon receipt of this timetable, members were positively assured that planning for the Trusts annual statements was well advanced, but requested that any foreseen slippage be brought to the attention of the Committee well in advance.

- FT Annual Reporting Manual Changes

The Committee received confirmation that there were no significant changes in the FT Annual Reporting Manual for completion of the 2017/18 Annual Accounts.

- Preparation of the Annual Accounts - Going Concern Report

Members received the Going Concern Report and agreed to recommend that the Board approve the preparation of the Annual Accounts on a going concern basis.

- Audit Committee Revised Terms of Reference

Members agreed the Audit Committee revised terms of reference with minor changes and requested that each Board committee receives, reviews and agree their own terms of reference prior to ratification by the Board of Directors.

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:

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