



BOARD OF DIRECTORS' MEETING - OPEN

9 May 2018

Open BoD 09.05.18
Item 19cii

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 April 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	April 2018



SUMMARY REPORT

Report to: Board of Directors

Date: 9 May 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 April 2018.

2 Summary

Board members will receive the minutes of the Audit Committee meeting held on 23 April 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:

- Head of Internal Audit Interim Opinion Report

The committee received the interim Opinion Statement from the Head of Internal Audit and noted that as of the date of the Committee meeting, a Moderate Assurance opinion for 2017/18 is anticipated. Whilst this opinion falls short of the Committee's objective of a Significant Assurance opinion, the Head of Internal Audit acknowledged the progress that has been made over the last year, particularly in developing the Trust Risk Strategy and Board Assurance Framework. It was now important for the Trust to continue to embed the BAF across the Board and Sub Committees. Regarding the 17/18 Internal Audit reports, whilst the operational risk management audit report had highlighted some weaknesses, an action plan had been produced and the high risk actions implemented. On other Internal Audit reports, there had been significant improvement overall in the rate of completion of recommended actions.

- 360 Assurance Internal Audit Plan 2018/19

The committee approved the final version of 2018/19 Internal Audit Plan.

- Counter Fraud, Bribery & Corruption Progress Report

Members received the progress report from the Local Counter Fraud Specialist, which also incorporated the outcome of the services Self Review Tool (SRT) and were pleased to note the continued overall “green” rating. This has now been submitted to the NHS Counter Fraud Agency.

- Counter Fraud, Bribery & Corruption Work Plan 2018/19

The committee approved the 2018/19 work plan of the Trust’s Counter Fraud, Bribery and Corruption Specialist, noting this takes into account the Sector and the Trust’s fraud risk profile

Year End Statements

- Draft 2017/18 Quality Report

Members noted receipt of the current draft of the 2017/18 Quality Account post review at Quality Committee. Comments at QAC and AC would be incorporated into the final versions. It was noted that External Audit had only just commenced work on the audit of quality indicators. This work and final comments will be incorporated into the final version.

- Draft 2017/18 Annual Accounts

Members received the draft 2017/18 Annual Accounts, noting that these were pre confirmation of the NHSi £ for £ and bonus payments and were unaudited at this moment in time. The high level analytical review was reviewed in detail and in particular the changes resulting from the recent asset revaluation exercise.

- Draft 2017/18 Annual Governance Statement

Members received a further draft of the 2017/18 Annual Governance Statement and were assured that completion of the statement is on track.

Other Agenda Items

- Register of Interests and Register of Hospitality, Sponsorship & Gifts – Confirmation of Exercise

Members received assurance regarding the completion of the Register of Interests and Register of Hospitality, Sponsorship and Gifts.

- Review of the BAF & Corporate Risk Register

The Board Assurance Framework was reviewed by the Committee. Discussion took place around the process for agreeing removal of risks from the BAF. It was acknowledged that whilst the Executive Summary of the BAF changes included a justification for the removal of such risks, it was suggested that 2 of the risks removed should be re-instated. This was due to a lack of assurance that the risks concerned were in fact closed and therefore should remain on the Board radar for the moment. It was also suggested that in future, the summary of all changes should include the risk rating for the risks concerned.

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

The Corporate Risk Register was reviewed, noting the new risk additions. There was discussion regarding a lack of improvement in the risk rating of some of the risks and that this could be an indication that some of the controls were not adequately mitigating these risks. This may be a particular concern for those risks relating to safety. It was noted that further discussion should take place in a future Risk/BAF refresh Board development session which was being scheduled for the coming months.

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).