

**Trust Board Meeting: Wednesday 13 November 2013**

**TB2013.139**

<b>Title</b>	<b>Audit Committee</b>
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<b>Status</b>	For information
<b>History</b>	This is a regular report to the Board

<b>Board Lead</b>	<b>Mrs Anne Tutt, Committee Chairman</b>			
<b>Key purpose</b>	Strategy	<b>Assurance</b>	Policy	Performance

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**Executive Summary**

<b>1</b>	The Audit Committee met on 16 September 2013, and this paper provides reports this meeting.
<b>2</b>	This paper sets out the key decisions, actions, risks and matters for future consideration as raised by the Committee. The minutes from both of the meetings are available on request from the Head of Corporate Governance.
<b>3</b>	<b>Recommendation:</b> The Trust Board is asked to note the contents of this paper.

## Report from the Meeting of 16 September 2013

### 1. Introduction

The Audit Committee met on 16 September 2013. The main issues raised and discussed at the meeting are set out below.

### 2. Significant issues of interest to the Board

The Committee considered the following issues:

- The Clinical Audit Annual Report was discussed and it was requested to be brought back to the next meeting for a more in-depth review when the Medical Director would be available;
- The risks within the Board Assurance Framework were considered, with links to key performance indicators highlighted to determine whether the identified controls were adequate to manage the risk. The Committee discussed the need to measure the performance of strategic partnerships and transformational projects to complete the considered analysis;
- The risks on the Corporate Risk Register were reviewed and debated in detail. This included risks related to the achievement or non-achievement of Foundation Trust Status, and the quality and accessibility to medical records.
- A deep dive into how the Trust managed its cash flow was presented and discussed. This clarified that the Finance Department managed the process and was responsible for issuing invoices and chasing payment. The Committee noted that there had been improvements in cash flow management over the past few years, but there was further work to do in relation to the process for issuing invoices;
- The Trust's approach to stakeholder engagement was discussed, which included the developments of the Academic Health Sciences Centre and Network, and closer working with the local authority to develop a Public Health Strategy for the Trust.
- The External Auditors presented the Annual Audit Letter and Independent Auditors' report to the Directors of the Trust. The Auditors commented on the marked improvement in the accounts that were audited.

### 3. Key Risks Discussed

The following key risks were discussed:

- It was noted, through the cash flow management review, that there were some issues with respect to the process for billing for services and further work was required with the divisions to ensure this was addressed;
- It was noted that Cybercrime was a growing area affecting the wider NHS and it was agreed to receive a presentation from a specialist in this area to understand the impact on the Trust.

#### **4. Key decisions taken**

The following key decisions were made:

- The Committee considered the changes to the Standing Orders, Scheme of Reservation and Delegation, and the Standing Financial Instructions. These changes included the recognition of the NHS Trust Development Authority in the approval process for redundancies and capital schemes. The Committee recommended to the Trust Board that the changes be approved. The changes are due to be presented to the Trust Board in January 2014 in line with the annual cycle of business.

#### **5. Agreed Actions**

The Committee agreed the following actions:

- It was agreed to circulate copies of all Internal Audit reports and not just those with a Significant Assurance rating;
- The Internal Auditors were asked to introduce a further assurance rating between that of Significant and Limited to recognise where there maybe deterioration or improvement in ratings.

#### **6. Matters deferred for future consideration**

The Committee agreed to consider the Clinical Audit Annual report in more detail at its next meeting.

#### **7. Assurance required from/actions required by other Board sub-committees**

No matters require assurance from or actions by another Committee.

#### **8. Matters to be referred to the Trust Board**

No matters were referred to the Trust Board.

#### **Recommendation**

The Trust Board is asked to note the contents of this paper.

**Anne Tutt**  
**Audit Committee Chairman**  
**November 2013**