

Trust Board Meeting in Public: Wednesday 13 January 2016

TB2016.11

Title	Audit Committee Chairman's Report
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Status	For discussion
History	This is a regular report to the Board

Board Lead	Mrs Anne Tutt, Committee Chairman			
Key purpose	Strategy	Assurance	Policy	Performance

A. Introduction

The Audit Committee met on 18 November 2015. The main issues raised and discussed at the meeting are set out below.

B. Significant issues of interest to the Board

The following issues of interest are highlighted for the Board:

1. A progress report was received from external auditors Ernst & Young and a proposed timetable of work for 2016 was agreed. This will see an Audit Report produced in May 2016, an Audit Certificate in May 2016 and a Letter to Governors in June 2016
2. The Committee will check progress on all outstanding Internal Audit recommendations at its next meeting in February 2016.
3. A progress report was considered on Counter Fraud activities. Work before the next Committee meeting will include benchmarking to establish changes since last year; consideration of the findings from an investigation from 2014/15; and reporting on an investigation into the consultant waiting list initiative.
4. The Trust's internal auditors [KPMG] reported that three important audits had been completed and were at draft stage, awaiting management response. The Committee will receive a progress report at its next meeting on actions taken in response to recommendations in these reports, on Human Resources Workforce, Immigration and Raising Concerns.
5. The Committee received the Standing Financial Instructions and Scheme of Delegation following their agreement by the Board and the agreement by the Council of Governors of the Trust's Constitution.
6. The Committee considered a regular report on losses and special payments for the period from 1 April to 30 September 2015.
7. The Committee reviewed the schedule of single tender waivers for the period from 1 April to 20 October 2015, noting a rise of nearly 50% on this period in the previous year. It was suggested that this was likely to have been due to the introduction of tighter controls on the approval of expenditure under Purchase Orders.

C. Key Risks Discussed

8. The Committee considered a report on a 'Deep Dive' review of Principal Risk 3: Failure to maintain operational performance. It considered the actions being taken to address this risk and an update on the relevant controls in place. It noted that four risks associated with this Principal Risk had recently been added to the Corporate Risk Register - access to hospital sites and car parking constraints across the trust; capacity of Adult ICU/Cardiac ICU; potential risk of failing to respond to the results of diagnostic tests; and potential risks to handover of treatment through poor communication of discharge summaries.
9. The Committee discussed how deep dive reviews could be better conducted.
10. The Committee received a report on Cyber Security. This was noted to be of growing importance for all sectors including health, and the Committee reviewed the actions that had been planned and were underway; and agreed that more work was needed in this area.

D. Key decisions taken

The following key decision was made:

11. An Escalation Protocol for audit actions was agreed. This follows standard escalation procedures and has been supported by the Trust's Internal Auditors as a means of supporting managers in raising concerns to the Chief Executive and the Audit Committee if necessary. Nothing in the protocol alters the rights of individual staff to use the Trust Policy on Raising Concerns ("Whistle blowing") if they consider that to be necessary.

E. Agreed Actions

The Committee agreed the following actions:

12. The Director of Assurance was asked to discuss further with Internal Auditors KPMG the need to raise awareness of OUH's members of staff of the Trust's Raising Concerns policy.
13. KPMG were asked to produce a report for the next meeting of progress made against outstanding audit recommendations.
14. The Director of Finance and Procurement was asked to raise with all Executive and Divisional Directors the need to complete actions on internal audit recommendations, and to emphasise that this would be regularly reviewed.
15. It was agreed that the Executive Lead for any Deep Dive review would attend the relevant Audit Committee meeting to be held to account for progress made.
16. KPMG were asked to feed into and assist with cyber security plans, taking into consideration their experience in working with other organisations and the work of the Health and Social Care Information Centre (HSCIC).
17. Committee members were asked to review forms to be used as the basis of a review into the effectiveness of Internal Audit, External Audit and Counter Fraud services.

F. Matters deferred for future consideration

18. Counter Fraud's investigation into the consultant waiting list initiative had been deferred and would be reported to the Committee's February meeting.

G. Matters to be referred to the Trust Board, and other sub-committees of the Board

19. None.

Recommendation

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

Anne Tutt
Audit Committee Chairman

January 2015