Trust Board Meeting in Public: Wednesday 14th November 2018
TB2018.104

<table>
<thead>
<tr>
<th>Title</th>
<th>Audit Committee Chairman’s Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status</td>
<td>For discussion and approval</td>
</tr>
<tr>
<td>History</td>
<td>This is a regular report to the Board</td>
</tr>
<tr>
<td>Board Lead</td>
<td>Mrs Anne Tutt, Audit Committee Chairman</td>
</tr>
<tr>
<td>Key purpose</td>
<td>Strategy</td>
</tr>
</tbody>
</table>
## Executive Summary

1. The Audit Committee is a Committee of the Trust Board and, as such, provides a regular report to the Board on the main issues raised and discussed at its meetings.

2. Since the last meeting of the Board held in public on 12th September 2018, the Audit Committee met on 19th September 2018 as part of its regular cycle of meetings.

3. Under its terms of reference, the Committee is responsible for providing assurance to the Trust Board on the Trust's system of internal control by means of independent and objective review of financial and corporate governance, and risk management arrangements, including compliance with law, guidance, and regulations governing the NHS. This report aims to contribute to the fulfilment of that purpose.

### Recommendations

4. The Board is asked to:

   - Note the contents of the Audit Committee's regular report to the Board on the main issues that were discussed at its meeting held on 19th September 2018.
Report from Audit Committee Meeting held on 19th September 2018

The Audit Committee met on 19th September 2018 and covered the following key agenda items:

NHSI Undertakings-Role of the Audit Committee:

The Committee discussed the approach to be taken in relation to the provision of assurance to the Committee and to the Board on progress being made by the Project Management Office (PMO) in supporting the work of Executive Team to deliver the regulatory undertakings made by the Trust to NHS Improvement (NHSI). It was agreed that assurance on progress should be provided through:

- reports to the Board on the organisation’s delivery of the individual workstreams that form part of the undertakings, and
- reports to the Committee that will enable it to maintain oversight on the process of delivery, and
- the Committee’s oversight of some elements of individual workstreams that routinely form part of its meeting agenda

Implementation of the Cash Management Review:

The Committee was updated on the progress that has been made in the implementation of the recommendations emerging from the internal audit review on Cash Management. Notable, amongst these, were the steps taken by the Trust to put in place a Cash and Treasury Management Policy and to establish a Cash Committee (as a sub-Committee of the Trust Management Executive [TME]). An example will also be brought to the November meeting of the Committee to illustrate how key performance indicators will be used to track improvements in cash management.

Cash and Treasury Management Policy

The Committee received and approved the Cash and Treasury Management Policy subject to it being brought to the Board (via TME) for the Board’s final approval. The proposal for the approval of the Policy is on agenda for the November 2018 Board meeting.

IT Governance and Medicines Management and Other Reviews

In view of the gaps in assurance that were extensively discussed at the Committee on the implementation of the internal audit recommendations on these two reviews, the Committee referred both matters to TME for it to follow-up and update the Committee on progress being made on them and for an update on progress be brought back to a future meeting of the Committee.

The Committee also:

- noted that the management response on the recommendation on the Patient Pathways Positive ID review was not yet due;
- agreed that a report on the Patient Pathways Positive-IR(MER) should be brought to its November 2018 meeting, and;
- referred the Business Continuity Review to TME for assurance feedback
Counter Fraud : Progress Report and Review of Counter Fraud Services:

Progress Report:

The Committee was updated on:

- the measures that were being taken by the Trust’s Local Counter Fraud Specialist in addressing the findings arrived at by NHS Counter Fraud Authority (NHSCFA) on the LCFS’ level of staff engagement which was assessed against NHSCFA standards, and;
- the 7 key counter fraud risks to which the Trust was exposed, as assessed by its LCFS

The Committee also accepted the LCFS’ proposals to set the timescales for the investigation of standard and complex referrals as 12 and 21 weeks respectively.

NHSCFA Review:

The Committee agreed to receive a further update (at its November 2018 meeting) on the steps that were being taken to implement the findings of the NHSCFA review of the Trust’s counter fraud services. A final report on this expected to be brought to the Committee’s February 2019 meeting.

Oracle Fusion:

An update on the latest status of the Oracle Fusion Project was provided to the Committee. The Committee responded to this by stating that issues highlighted to it should be brought to the attention of the Board.

Other Matters Brought to the Committee for its Information and/or Approval:

Other matters that were brought to the Committee for its information and approval included the following:

- **National Fraud Initiative 2018-19:** the Committee received an overview and explanation of this mandatory exercise
- **Scheme of Delegation:** the Committee’s approved a small number of changes that were proposed to be made to the Trust’s Scheme of Delegation
- **Income Recognition:** the Committee was updated on the work that was being done to ensure that the Trust was compliant with the International Financial Reporting Standard (IFRS) 15 (on Revenue from Contracts with Customers). The Committee noted that the accounting standard related to deferred income and that it will take effect from 1st April 2019. Further updates on this will be brought to future meetings of the Committee
- **Asset Valuation for Property and Plant:** The Committee was informed that external help was being sought to support the Trust in ensuring that its approach in its 2018/19 Annual Report on the valuation of property and plant was compliant with statutory directions.

Anne Tutt  
Audit Committee Chairman  
November 2018