### Trust Board Meeting in Public: Wednesday 16th January 2019

**TB2019.12**

<table>
<thead>
<tr>
<th>Title</th>
<th>Audit Committee Chairman’s Report</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Status</strong></td>
<td>For discussion and approval</td>
</tr>
<tr>
<td><strong>History</strong></td>
<td>This is a regular report to the Board</td>
</tr>
<tr>
<td><strong>Board Lead</strong></td>
<td>Mrs Anne Tutt, Audit Committee Chairman</td>
</tr>
<tr>
<td><strong>Key purpose</strong></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 14 November 2018, the Audit Committee met on 16 November 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 16 November 2018.
Report from Audit Committee Meeting held on 16 November 2018

The Audit Committee met on 16 November 2018 and covered the following key agenda items:

**Internal Audit Progress Report**

The Committee received specific updates on the management responses to the reviews of Medicines Management and IT Governance. The significant progress that had been made in assurance in relation to the recommendations of these two reviews since the Committee’s previous meeting was noted.

Improvements to the Trust’s processes were discussed to ensure that internal audit recommendations were reviewed, signed off and actioned in a timely fashion. This had been a particular area of focus for the Committee, noting that there had been a delay in recommendations being signed off in some cases and that timely liaison with auditors should occur where required. The Committee noted that progress on internal audit recommendations was now being actively managed through the Trust Management Executive as a regular agenda item.

The Committee also:

- Heard that the Positive Patient ID review had been completed and the management response received;
- Received an update on the internal audit programme schedule for the year; and
- Received an update on the review of actions related to the report on Divisional Financial Governance.

**Consultant Job Planning**

The Committee received an update on the work that was being undertaken regarding consultant job planning including a project plan with timescales. A new job planning system had been procured and had gone live on 5 November. Work was also underway to procure an e-rostering system.

**External Audit Strategy Memorandum**

The Committee received this memorandum from the Trust’s external auditors. In particular this outlined the scope of the audit, the thresholds to be employed for materiality and the potential risks to the accuracy of the audit opinion.

Current progress on the audit process was also outlined to the Committee.

**Counter Fraud: Progress Report and Review of Counter Fraud Services**

**Progress Report:**

The Committee received the regular progress report on counter fraud and was updated in particular on the measures that were being taken by the Trust’s Local Counter Fraud Specialist to ensure that staff had received sufficient training in counter fraud awareness through both e-learning and face-to-face sessions.

**NHSCFA Review:**

The Committee received a further update on the steps that were being taken to implement the findings of the NHSCFA review of the Trust’s counter fraud services which was noted to show significant progress. It was agreed that the Committee would continue to receive
further updates on the action plan.

**Update on Oracle Fusion**

An update on the latest status of the Oracle Fusion Project was provided to the Committee. The Committee was informed that the project was currently paused whilst an evaluation of a number of possible options regarding the approach to be followed was undertaken. It was agreed that an evaluation of the possible options would be brought back to the Committee at its next meeting.

**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:

- **Compliance Reports**: The Committee received regular reports on Single Tender Waivers and on Losses and Special Payments. In relation to the former it was noted that all waivers were reviewed and signed off personally by the Chief Finance Officer.

- **BAF and CRR**: The Committee reviewed the Corporate Risk Register with recent changes and additions highlighted.

- **Review of Data Security, Consent and Opt Outs**: The Committee received this review which provided an update on the Trust’s status against the recommendations of the 2016 national report on these issues.

- **Income Recognition**: An update was provided 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). It was noted that further work would be required to finalise the position and that it was expected that this would be brought to the Committee’s next meeting.

- **Asset Lives**: The Committee received a report providing a summary of the assets lives currently operated by the Trust benchmarked against those used by a number of other Trusts. The Audit Committee approved the recommendation that the current policy on asset lives should continue.

- **Investment Property Review**: An update was provided to the Committee on the work being carried out to review the Trust’s investment property and other assets that might be accounted for as investment properties and approved the associated recommendations.

- **SFIs**: The Committee reviewed a number of proposed minor revisions to the Trusts Reservation and Delegation of Powers and Standing Financial Instructions and approved their recommendation to the Board.

- **Reference Costs**: An update was provided on progress against actions agreed in the national Costing Assurance Audit, which reviewed the 2016-17 data submissions for the Costing Transformation Programme (CTP) and Reference Costs.

Anne Tutt

Audit Committee Chairman

January 2019