

BOARD OF DIRECTORS' MEETING - OPEN

8 May 2019

Item 15bii

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 2019
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 2019

SUMMARY REPORT

Report to: Board of Directors

Date: 8 May 2019

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 significance discussed at the Audit Committee meeting held on 23 April 2019.

2 Summary

Board members will receive the minutes of the Audit Committee meeting held on 23 April 2019 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:

- 360 Assurance Internal Audit – Draft 2018/19 Head of Internal Audit Opinion Statement
The committee were pleased to note the provision of a draft opinion of **Significant Assurance** that there is a generally sound framework of governance, risk management and control designed to meet the organisation’s objectives, and that controls are generally being applied consistently.

It was noted that in providing this opinion the following points are emphasised and this narrative should be taken with the opinion when replicating for the Annual Governance Statement and for any other purposes:

- There has continued to be development of the BAF and risk management during the year and the Trust have demonstrated improvements, but like in the previous year, is still an area under resource pressure.
- Throughout most of the year, the follow up position regarding implementation of management actions has been in the moderate category but a push at the year-end has enabled the Trust to gain significant assurance in this area. This has been a priority area for improvement and thus moving forward the Trust needs to establish

appropriate mechanisms to ensure this is business as usual to maintain over 75% without being resource intensive.

- One high risk issue has been identified in the Business Planning audit to ensure a formalised annual business planning framework to demonstrate how the Trust's priorities will be delivered.

- 2019/2020 Internal Audit & Counter Fraud Plan

The committee approved the Trust's 2019/20 Internal Audit Plan which has been the subject of previous Committee discussion and a planning workshop at the beginning of the year. The Trust Counter Fraud Plan for 19/20 was also approved, noting the robust process undertaken to develop the plan including the Trusts 18/19 self-assessment tool and risk assessment information.

- Counter Fraud, Bribery & Corruption 2018/19 Annual Report & Self-Review Tool

The committee noted receipt of the Counter Fraud, Bribery & Corruption 2018/19 Annual Report, together with the completed self-review tool. Members noted the overall green rating, but three areas were noted for future improvement:

- Fraud risk was not highlighted as a specific area in the present Trust risk management policy
- Further work is required regarding pre-employment checks for agency staff
- Further work is required to ensure national guidelines for procurement procedures are met.

The Executive Director of Finance and Chair of Audit Committee agreed to authorise the submission to NHSCFA on behalf of the Trust (*authorised and submitted post the meeting*).

- Board Committee – Annual Assurance Reports

The Committee approved the draft Audit Committee Annual Assurance and Significant Issues Report and received the same reports in respect of the Quality Assurance Committee; Finance, Information & Performance Committee and Workforce & OD Committee.

- Self-Certification Against Conditions G6, CoS7 and FT4 within the Provider Licence – Corporate Governance Statement

The Committee noted the completion of the Trust's self-certification against the conditions within the Provider Licence and endorsed this for Board approval.

- Procurement Strategy

The Committee received the proposed SHSC Procurement Strategy for comment, noting that this had already been received at the Executive Directors' Group and would be received at the forthcoming Finance, Information & Performance Committee, prior to ultimate receipt at Board for sign off. The focus for Audit Committee was the achievement of the Trusts deliverables against the National Guidelines – level1, with the aspiration to move to level 2 achievement in the near future. In this respect the Committee requested an update in July.

- Review of the BAF

The 2018/19 Board Assurance Framework was received with final outcomes re levels of assurance against 18/19 strategic risks. Closed risks and risks to be rolled forward into 19/20 BAF discussions were noted following recent Board Development sessions.

It was agreed that there were no changes to the levels of assurance recorded as a result of discussion at the meeting.

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).