

Board of Directors Meeting in Public

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| Subject: | Report of the Audit and Assurance Committee | Date: 25 th January 2018 | | |
| Prepared By: | Shirley A Higginbotham, Head of Corporate Affairs and Company Secretary | | | |
| Approved By: | Ray Dawson, NED, Chair of Audit and Assurance Committee | | | |
| Presented By: | Ray Dawson, NED, Chair of Audit and Assurance Committee | | | |
| Purpose | | | | |
| The Audit and Assurance Committee met on 18 th January 2017. This paper informs members of the significant matters agreed by the Committee for reporting to the Board of Directors: | | | Approval | |
| | | | Assurance | x |
| | | | Update | |
| | | | Consider | |
| Strategic Objectives | | | | |
| To provide outstanding care to our patients | To support each other to do a great job | To inspire excellence | To get the most from our resources | To play a leading role in transforming health and care services |
| x | x | x | x | x |
| Overall Level of Assurance | | | | |
| | Significant | Sufficient | Limited | None |
| | | x | | |
| Risks/Issues | | | | |
| Financial | The Audit and Assurance Committee is responsible for ensuring the system of internal control is robust and effective in order to provide high quality, value for money services to patients and provide a safe environment for staff. Safeguarding the reputation of the Trust | | | |
| Patient Impact | | | | |
| Staff Impact | | | | |
| Services | | | | |
| Reputational | | | | |
| Committees/groups where this item has been presented before | | | | |
| N/A | | | | |
| Executive Summary | | | | |
| <p>The Board of Directors is asked to accept the content of the Report and note the items highlighted below:</p> <ul style="list-style-type: none"> • Number of staff band 7 and above who are non-compliant with regard to conflict of interest declarations. • PWC have been appointed by the Council of Governors as the Trusts External Auditors • Approval of External Audit recommendation of de minimis limit of £250,000 • Request to move extraordinary board meeting scheduled for morning of 24th May to the afternoon <p>The Audit and Assurance Committee met on 18th January 2018. The meeting was quorate, the Minutes approved and there were no outstanding actions. There were no declarations of interest.</p> <p>The following items were presented and discussed:</p> <p><u>Internal Audit Progress Report</u></p> <p>360 Assurance client manager presented the report and highlighted the following areas:</p> <p>Two final reports have been issued in the period:</p> | | | | |

Patient Safety Alert System – Limited Assurance, this would be discussed at the March meeting of the Audit and Assurance Committee.

Integrity of the General Ledger & Budget Management – Significant Assurance, this would help inform the Internal Audit Opinion at year end

Committee were informed 69% of the internal audit plan had been completed which is in line with expectations.

Follow up reports had been completed for Patient Safety/CQC 'Safe' Domain. The review that all the actions identified in the original report had been implemented.

Audit Reports with Limited Assurance – Quality Account Indicators

The report had previously been presented to the committee but the committee requested an update with regard to the paper and electronic recording of admission times in the ED department. The COO provided the committee with an update on progress and committed to providing further reports to members of the committee once actions had been implemented by the end of January 2018. The committee requested a timeline of when all actions would be complete and it was agreed internal audit would audit the revised process in Q4.

The Committee discussed and noted the report.

Internal Audit Report to Board Committees

As previously noted, only reports with limited assurance were reported directly to the committee.

This report detailed those audit reports with either limited or significant assurance which were reported to other Board committees

The committee were assured by the report.

External Audit Plans

Alison Breadon - Partner and Matthew Elmer - Senior Manager PWC, the trusts recently appointed external auditors, presented an overview of the plans and asked the committee to approve the £250,000 de minimis limit, the committee were assured this was in line with NAO guidelines, the previous limit had been £215,000.

Committee approved the de-minimis limit at £250,000.

Outstanding Audit Recommendations

The Chief Finance Officer presented the report which identified 28 recommendations remain on-going, 1 of which is rated high risk. All of the recommendations which are not yet fully implemented have progress reported therefore there are no recommendations showing as 'Outstanding'.

Board Assurance Framework

The committee were informed the BAF was being refreshed for the 2018/19 financial year to take into consideration the horizon scanning work undertaken last year. It was suggested that the BAF should form part of a future Board Workshop in the new year.

The committee were also informed that since the last meeting, the Finance Committee had raised the likelihood of AF4 - Financial Sustainability to a 4 (Somewhat likely) and this had been reported to the Board of Directors at the December meeting.

Conflicts of Interest

The committee received the report and noted the dashboard which highlighted the number of staff, band 7 and above, who had declared an interest was 74. 413 had made a nil return and 353 still remain non-compliant 353. The report was broken down by staff group. The committee noted the work which had been done to inform Doctors (as the highest non-compliant group) of the requirements but recorded their disappointment with the outcome. The committee agreed to highlight this issue to the Board of Directors.

Data Quality Update

The Committee were informed that a Data Quality Group had been established and it was agreed the committee would receive a report at its next meeting in March from the Medical Director who is chair of the group.

Clinical Audit Planning Process

The committee received the report from the Director of Governance and Quality Improvement which highlighted a number of concerns with the current process. The committee were therefore not assured with regard to the Clinical Audit Planning Process and requested a proposal, including timelines be submitted to the next meeting in March.

Information Governance Update

The Information Governance Manager presented the report which highlighted progress against the IG Toolkit, which stands at 62% although this is rated as unsatisfactory it is expected at this time of year as information is being updated and replaced.

The level 2 IG breach which had been reported to the committee last time had been submitted to the ICO who have subsequently informed the Trust no further action will be taken.

Themes from Freedom of Information requests reflect the issues of interest to the press and public. The trends and themes reported highlighted an increase in requests around sexual harassment and mortuary capacity.

The IG action plan which is comprised of 160 actions was reported as having 4 actions noted as red, these would be completed within the month. 42 actions were completed.

The action plan includes the actions with regard to the implementation of the General Data Protection Regulation and the committee received assurance the Trust was on target to achieve compliance by the implementation date of May 2018.

The Cyber Security and Information Risk Guidance issued by the National Audit Office was also presented. The actions from the self-assessment undertaken as part of the guidance, had been incorporated into the IG action plan.

Quality Committee & Finance control issues

No issues were reported from either committee.

Terms of Reference

The committee received the revised Terms of Reference which had been updated to reflect the changes made during the year. Internal Audit provided some advice with regard to updated titles and recommended a section on declarations of interest. The committee agreed to approve the Terms of Reference with these amendments.

Final Accounts Timetable & Plans

The committee received the timetable and requested that the Audit Committee be re-scheduled to 20th April in order for the Chair of the committee to attend.

External Audit requested that the Audit Committee scheduled for the morning of 24th May be re-scheduled to the afternoon. It was agreed this would be looked at however there was also a requirement for an extraordinary Board so the Trust may not be able to accommodate this request.

Going Concern

No issues.

Single Tender Waivers

The committee received a report which noted all single tender waivers between 1st November and 31st December 2017.

A discussion was held with regard to interim costs and further assurance was sought. The Director of Strategic Planning and Commercial Development agreed to feedback regarding a two year contract within Theatres.

Losses and Special Payments

Committee received the report.