

Council of Governors

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| Subject: | Report of the Audit and Assurance Committee | Date: 12 th February 2019 | | |
| Prepared By: | Graham Ward, NED, Chair of Audit and Assurance Committee, Shirley A Higginbotham Director of Corporate Affairs | | | |
| Approved By: | Graham Ward, NED, Chair of Audit and Assurance Committee | | | |
| Presented By: | Graham Ward, NED, Chair of Audit and Assurance Committee | | | |
| Purpose | | | | |
| The Audit and Assurance Committee met on 21 st November 2018 and 17 th January 2019 . This paper informs members of the significant matters discussed by the Committee for reporting to the Council of Governors | | | 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 | | | | |
| Board of Directors 29 th November 2018 and 31 st January 2019 | | | | |
| Executive Summary | | | | |
| <p>The Council of Governors are asked to note the items highlighted below:</p> <ul style="list-style-type: none"> • Board Workshop with regard to Risk to include Risk Appetite • Mental Health Act Compliance – Received and risks and actions to be monitored through Quality Committee, a follow up report will provide further assurance. • External Audit plan received, reporting de minimis agreed increase from £250K to £293K • External Audit mandated to audit 4 hour standard and 62 day Cancer standard. Governors to identify local indicator. • Conflicts of Interest – slow progress, further actions being pursued. • Terms of Reference – Approved • Outstanding Audit Recommendations – Quality Account outstanding actions, action owners to be invited to present at next meeting. • Clinical Audit – committee requested outcomes of the audits be included in the deep dive report due at the next meeting <p>The Audit and Assurance Committee met on 29th November 2018 and 31st January 2019. The meetings were quorate, the Minutes approved and there were no outstanding actions. There were no declarations of interest. Ian Holden, Public Governor, Newark and Anne Mackie, Public Governor Newark attended as Governor Observers on the committee.</p> | | | | |

The next meeting of the Audit and Assurance Committee will take place on Thursday 21st March 2019

The following items were presented and discussed:

Counter Fraud

Progress reported presented and on plan, two investigations closed in the period, Counter Fraud Awareness week , commencing 25th November with a stand in the KTC 30th November 2018

Internal Audit Progress Report

Progress report behind plan but assurance provided would be completed in line with schedule. Draft Head of Internal Audit Stage 2 Memo reported no areas of concern
Limited Assurance report – Mental Health Compliance report received, and assurance provided the actions would be monitored by the Quality Committee and a future scheduled follow up report would provide further assurance actions have been completed, implemented and embedded.

External Audit

PWC presented the External Audit plan, detailing the auditor's responsibilities, approach, risks and audit timetable.

Overall materiality has been set at 2% of forecast income, which equates to £5,876K (2017/18: £6,093K).

Proposed increase in de minimis reporting from £250K to £293K approved by committee, this is calculated as 5% of overall materiality and is below the National Audit Office reporting threshold of £300K.

PWC also reported on the significant accounting changes with regard to IFRS15 and IFRS9 together with the additional procedures required by the National Audit Office.

Outstanding Audit Recommendations

It was acknowledged the number of complete recommendations at 81% was good when compared with other trusts; however the committee required a completion rate of 90% (the level achieved in 2017/18) and asked for owners to be informed of this requirement.

The committee had requested a separate report with regard to the audit recommendations from PWC on the Quality Report. An assurance report was received, and the progress noted.

Register of Interests

Committee received an update report on the Conflicts of Interest Report, slow progress was being made, communication with staff who had not yet completed is on-going. Committee were informed the Deputy Medical Director had personally emailed staff who had not yet completed their declaration. Counter Fraud checks at companies' house were also being pursued.

Clinical Audit

Verbal progress report, deep dive report to include the outcomes of the clinical audits and how these drive change, to be provided to Audit committee in January 2019.

Board Assurance Framework

The BAF was received and it was noted this had been scrutinised by the appropriate committees, the document would be presented to Board at the end of January.

Terms of Reference

The Terms of Reference were presented for approval, Internal audit provided some suggestions with regard to amendments and the committee approved the Terms of Reference with the caveat these amendments were included.