



Trust Board Meeting in Public				25 September 2012	
Title	Audit Committee Report			Paper Ref	8.4
PURPOSE (X)		Information		Strategic Objective	Business Plan Objective
Approval		Decision			
Assurance	√	Discussion		High Performing	F1 – high quality financial governance
Purpose of the paper	The purpose of the paper is to inform the Trust Board of the activities of the Audit Committee.				
Recommendation	The Yorkshire Ambulance Trust Board has sufficient assurance that the business conducted by the Trust's Audit Committee fulfils that required under their scheme of delegation.				
Author	Richard Ford, Financial Controller	Accountable Director:		Rod Barnes, Director of Finance & Performance	
RISK ASSESSMENT				Yes	No
Changes to the Corporate Risk Register and/or Board Assurance Framework					√
Resource Implications				√	
Legal implications					√
ASSURANCE/COMPLIANCE					
CQC Registration Outcome(s)	Auditors' Local Evaluation		NHSLA Risk Management Standards for Ambulance Trusts		
26 Financial Position	Financial reporting Financial Management Financial Standing Internal control Value for Money		N/A		

SUMMARY REPORT FROM THE AUDIT COMMITTEE 14 AUGUST 2012

1 PURPOSE/AIM

- 1.1 To give the Board assurance that the Audit Committee is meeting the obligations set down in its terms of reference.

2 SUMMARY REPORT FROM THE AUDIT COMMITTEE MEETING

Governance

- 2.1. The Deputy Chairman P Drake chaired the Audit Committee. This was an interim arrangement pending the appointment of a Non-Executive Director to fulfil the role of Audit Committee Chair. A Allen the Director of Corporate Affairs & Trust Secretary was also in attendance.
- 2.2. The Audit Committee's Terms of Reference were reviewed and the Administration section was to be brought in line with other committees by designating responsibility for this to the Trust Secretary.

Audit Committee Assurance

- 2.1. The Board Assurance Framework (BAF) was presented and had been updated for the 11 strategic risks aligned to the Integrated Business Plan. Heat maps had been added denoting the change in conditions of risks over time, members found this useful and would monitor their direction of travel to ensure all risk mitigation plans are effective.
- 2.2. A report on management's response to the Fleet Department internal audit review was requested at the previous Audit Committee and was hereby presented. Progress had been made on all recommendations, however on occasion these actions were not sufficiently mature to overcome the weakness highlighted. It was agreed that a further progress report would be brought to the next Audit Committee.
- 2.3. An update was provided on progress against the Trusts risk and safety team work plan to give assurance on the effective management of Health & Safety. Overall the Director was satisfied that the Trust has sound systems and processes with no major unmanaged risks, there were however areas that required strengthening and these would be managed through the Quality Committee.
- 2.4. A paper was presented on the purchase of the Springhill Headquarters, in response to a letter concerning the approval process received from the cluster Chief Executive for the North of England. Committee agreed that there were lessons to be learned and were supportive in the Trusts response.

2.5. The Deputy Chief Executive and Director of Workforce and Strategy attended the Committee with the Head of Education and Standards as a follow up to discuss outstanding issues from the Workforce presentation previously presented to Committee. Progress had been made on all areas of concern and further assurance would be given as part of the next scheduled Workforce presentation.

2.6. The scheduled directorate presentation focused on Clinical and Standards & Compliance and was presented by the Director of Standards and Compliance. The presentation focused on;

Strategic Objective 1: Improve clinical outcomes for key conditions

Strategic Objective 3: To provide clinically effective services which exceed regulatory and legislative standards

Strategic Objective 5: To develop culture, systems and processes to support continuous improvement and innovation.

Strategic Objective 8: To provide cost-effective services that contribute to the objectives of the wider health economy.

The following areas were discussed;

- Although the Trust has developed policies in order to progress to NHS Level 2, these are not sufficiently embedded. The question was asked how would this impact on the Trust if we have to defer level 2? The specific challenge is around evidencing progress. The Director concluded that whilst the Trust's direction of travel was towards level 2, given that the process is now more stringent and there are other pressures on time it was recommended to consolidate at level 1 and aim to not fall below this; as this would impact on the Trusts FT process (The requirement for FT is to be successful at level 1). It was also noted that the Trust will be re-assessed in October 2012.
- It was questioned whether our 111 partners will have a similar NHSLA rating? The Director advised that partners will not be covered by our rating and their Governance arrangements will need to be robust and comply with NHSLA requirements. The same will apply with CQC requirements as these will be assessed in a similar way. It was noted that the 111 service was relatively high risk and progress on this would be monitored and reported accordingly to give Audit Committee and Board assurance.

Stakeholder and Other Committee Assurance

Quality Committee

- 2.9. The Chair declared a conflict of interest as she is also the Chair of the Quality Committee and therefore requested that the Director of Standards & Compliance present the report. Key messages included; the Clinical Quality forum has been established and their inaugural meeting has been held; the Quality Accounts have been completed and published; an external review of Quality Governance was being conducted and progress is being managed by the Committee;

Finance & Investment Committee

- 2.10. The update included; assurance has been received on the Income, Expenditure and Cash position; the Cost Improvement Plan came together in July for the current and future years; the Business case process has improved and committee are assured by the process going forward; the Estates Strategy was discussed and was recommended to Board, however the ICT Strategy required further work before progression; a good review of 111 was presented and included risks.

External Audit update

- 2.7. Deloitte LLP has been appointed auditors to the Trust by the Audit Commission following their abolition and will commence duties from the 1st September. The fees have been reduced by approximately 40% and will reduce further following the Trust becoming a Foundation Trust. The Trust annual accounts for 2011/12 were signed off on the 7th June with an unqualified opinion and the work for 2011/12 has now been finalised.

Internal Audit & Counter Fraud update

- 2.8. The progress reports for both Internal Audit and Counter Fraud were presented and accepted by the Committee. A further paper was presented and accepted on the effectiveness of Internal Audit which is requested annually in order to give Committee assurance in preparation for the Audit Committee's Annual report.

Other Business

- 2.9. The Contract Award Activity and SFI waivers report was presented and following questioning was accepted. The Contracts review paper confirmed all contracts had been signed off for 2012/13. The bi-annual Working Capital paper was presented and Committee commented on the improvements made.

3.0 PROPOSAL/NEXT STEPS

3.1 That the Trust Board accepts this report.

4.0 RECOMMENDATIONS

4.1 The Yorkshire Ambulance Trust Board has sufficient assurance that the business conducted by the Trust's Audit Committee fulfils that required under their scheme of delegation.

5.0 APPENDICES

5.1 Audit Committee Minutes 14 August 2012.