



MEETING TITLE Trust Board Meeting in Public		MEETING DATE 24/09/2013	
TITLE of PAPER	Audit Committee Report	PAPER REF	6.3
STRATEGIC OBJECTIVE	<p>To deliver clinically effective services which exceed regulatory and legislative standards</p> <p>To provide cost effective services that contribute to the objectives of the wider health economy</p>		
PURPOSE OF THE PAPER	To inform the Trust Board regarding the activities of the Audit Committee and provide assurance		
For Approval	<input type="checkbox"/>	For Assurance	<input checked="" type="checkbox"/>
For Decision	<input type="checkbox"/>	Discussion/Information	<input checked="" type="checkbox"/>
AUTHOR / LEAD	Barrie Senior Non-Executive Director	ACCOUNTABLE DIRECTOR	Director of Finance & Performance
PREVIOUSLY CONSIDERED BY	Committee/Group: N/A	Date:	N/A
RECOMMENDATION	The Trust Board derives adequate assurance regarding the activities of the Audit Committee.		
RISK ASSESSMENT		Yes	No
Corporate Risk Register and/or Board Assurance Framework amended		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Resource Implications (Financial, Workforce, other - specify)		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Legal implications/Regulatory requirements		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Quality and Diversity Implications		<input type="checkbox"/>	<input checked="" type="checkbox"/>
ASSURANCE/COMPLIANCE			
Care Quality Commission Registration Outcome(s)		All	
NHSLA Risk Management Standards for Ambulance Trusts		All	

1. PURPOSE/AIM

- 1.1 The aim of this paper is to provide the Trust Board with an update on the activities of the Audit Committee, and to provide assurance that the Committee is complying with its purpose as set out in its terms of reference.

2. BACKGROUND/CONTEXT

- 2.1 In accordance with its annual workplan, the Audit Committee last met on 16 July. A verbal update regarding that meeting was provided to the 23 July Trust Board Meeting.
- 2.2 The Audit Committee, in accordance with its agreed annual workplan, is next scheduled to meet on 17 October 2013 at which the minutes of its 16 July meeting will be considered and approved. The approved minutes will be presented to the Board at its 26 November meeting.
- 2.3 At the 16 July Audit Committee meeting, the Committee considered and approved its Annual Report 2012/13, which it now presents to the Board for its approval.
- 2.4 The Committee approved minutes for the meeting on 4 June 2013 are attached for completeness.

3. MATTERS TO BE REPORTED

- 3.1 This report:
- presents a report of the key matters considered, discussed and agreed at the 16 July Audit Committee meeting
 - presents, as an Appendix, the Audit Committee's Annual Report 2012/13.
- 3.2 Key matters arising at the 16 July 2013 Audit Committee meeting
- The Committee received an update on and assurance regarding the on-going maintenance of the Board Assurance Framework.
 - The Committee received an update on work being undertaken further to streamline the delivery of risk management assurance reporting from line management, through Committees and to the Board.
 - The Committee received an update and preliminary assurances regarding the CQC Inspection visit in early July.
 - The Trust's Vice Chairman, on behalf of the Chairman of the Finance & Investment Committee, provided a verbal update and assurance to the Audit Committee regarding the effective management of financial risks.
 - The Chairman of the Charitable Funds Committee provided an update regarding the activities of that Committee.

- The Chairman of the Quality Committee provided a verbal update and assurance to the Audit Committee regarding the effective management of quality risks, including commentary on each quality risk identified in the Board Assurance Framework.
- The external auditors provided:
 - The final version of their Annual Audit Letter summarising the key findings of their audit work in respect of the 2012/13 financial statements.
 - The findings arising from their review of the business case, the approach to due diligence and the contractual arrangements relating to the NHS 111 contract into which the Trust had entered. The review provided reasonable assurance and pointed to a number of opportunities for improvement that are to be considered by the Finance & Investment Committee.
 - An updated version of their report in respect of their 'dry run' review of the Trust's Quality Accounts which provided assurance regarding the process for producing, and the content of, the 2013 Quality Accounts, and provided recommendations for further enhancements next year.
- In respect of Internal Audit and Counter Fraud:
 - The Committee considered the latest version of the 2013/16 Internal Audit and Counter Fraud Plan, having recently had a separate 'deep dive' meeting better to understand the process by which the plan had been developed and agreed with executive management. The Committee was reassured as a result whilst asking, as part of the on-going maintenance of the plan, that certain days allocations were reconsidered by executive management.
 - The internal auditors provided a Progress Report, including the results of seven audit reviews recently completed. Significant assurance was provided in respect of:
 - Clinical Record Management
 - Management of Contracts and SLAs
 - Year End Processes
 - Performance Management.

Only limited assurance was provided by internal audit work in respect of:

- Accounts Payable, where the Committee requested an acceleration in efforts to respond to the audit findings and recommendations
- Asset Register, where the Committee noted progress being made to respond to the audit findings and recommendations, and

- Medical Device Management, where the Committee expressed some concern regarding the audit findings, sought assurance regarding early management response and requested accelerated follow-up work by Internal Audit.
 - The Committee was reassured by the latest Counter Fraud Progress Report.
 - The Committee was reassured by the results of a peer review undertaken to assess the effectiveness of the service provided by the Trust's outsourced Internal Audit provider.
 - The Committee received, accepted and approved the Schedule of Losses and Special Payments for Quarter 1, 2013/14.
 - The Committee reviewed and was assured in respect of the award of one contract over £100,000.
 - The Committee received confirmation that there had been no suspension of Standing Orders since the preceding Audit Committee meeting.
 - The Committee reviewed and approved the latest Schedule of Losses and Special Payments.
 - The Committee Chairman reported that there had been no use of the Raising Concerns at Work notification process since the last Audit Committee meeting.
 - The Committee reviewed the latest Members' Expenses Report and received assurance that the latest version of the Register of Members' Interests was accurate and complete.
- 3.3 Attached at Appendix 1 to this report is the Audit Committee Annual Report 2012/13 that was approved at the 16 July Audit Committee meeting, and which is now presented for Board consideration and approval.

4. PROPOSALS/NEXT STEPS

- 4.1 Proposals and next steps are as above, and as are embedded in the draft minutes of, and the updated Action Log emanating from, the 23 July Audit Committee meeting.

5. RISK ASSESSMENT

- 5.1 Not applicable

6 RECOMMENDATIONS

It is recommended that the Board:

- notes and is assured by the content of this report,

- notes and is assured by the content of the Audit Committee Annual Report 2012/13, and
- derives adequate assurance regarding the activities of the Audit Committee and the assurance that it provides.

7. APPENDICES/BACKGROUND INFORMATION

Two appendices are attached to this report:

- Audit Committee Annual Report 2012/13
- Audit Committee Minutes 4 June 2013

Barrie A Senior FCA
Chairman – Audit Committee
13 September 2013