



MEETING TITLE Trust Board Meeting in Public		MEETING DATE 25 March 2014.	
TITLE of PAPER	Audit Committee Report	PAPER REF	7.3
STRATEGIC OBJECTIVE			
PURPOSE OF THE PAPER		To inform the Trust Board regarding the activities of the Audit Committee and provide assurance	
For Approval	<input checked="" type="checkbox"/>	For Assurance	<input checked="" type="checkbox"/>
For Decision	<input type="checkbox"/>	Discussion/Information	<input checked="" type="checkbox"/>
AUTHOR / LEAD	Barrie Senior – Chairman of the Audit Committee	ACCOUNTABLE DIRECTOR	Rod Barnes – Executive Director of Finance & Performance
DISCUSSED AT / INFORMED BY: discussion at the 6 March 2014 Audit Committee meeting			
PREVIOUSLY AGREED AT:	Committee/Group: Not applicable	Date:	
RECOMMENDATION	That the Trust Board derives adequate assurance regarding the activities of the Audit Committee, and approves the Audit Committee Annual Workplan 2014/15.		
RISK ASSESSMENT		Yes	No
Corporate Risk Register and/or Board Assurance Framework amended <i>If 'Yes' – expand in Section 4. / attached paper</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Resource Implications (Financial, Workforce, other - specify) <i>If 'Yes' – expand in Section 2. / attached paper</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Legal implications/Regulatory requirements <i>If 'Yes' – expand in Section 2. / attached paper</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Quality and Diversity Implications <i>If 'Yes' – please attach to the back of this paper</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
ASSURANCE/COMPLIANCE			
Care Quality Commission Registration Outcome(s)		N/A	
NHSLA Risk Management Standards for Ambulance Trusts		N/A	

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, to provide assurance that the Committee is complying with its purpose as set out in its terms of reference, and to seek Board approval of the Audit Committee Annual Workplan 2014/15.

2. BACKGROUND/CONTEXT

- 2.1 At the Trust Board meeting on 28 January, the Audit Committee Chairman provided a verbal summary of the key matters arising during the 10 December 2013 Audit Committee meeting. The draft minutes of that Audit Committee meeting were subsequently considered and approved at the Audit Committee meeting on 6 March, and are attached as an Appendix to this report.
- 2.2 The draft minutes of the 6 March Audit Committee meeting will be considered at the next Audit Committee meeting, on 3 June.

3. MATTERS TO BE REPORTED

- 3.1 This report presents:
- the approved minutes of the 10 December Audit Committee meeting, as Appendix 1,
 - a report of the key matters considered, discussed and agreed at the 6 March Audit Committee meeting, and
 - the Audit Committee Annual Workplan for 2014/15, approved by the Audit Committee at its 6 March 2014 meeting, for Board approval. (Appendix 2)

- 3.2.1 Key matters considered, discussed and agreed at the 6 March Audit Committee meeting

The Audit Committee:

- received updates representing good progress in pursuing outstanding actions on the Audit Committee Action Log.
- discussed the results of the Audit Committee Self-Assessment workshop held on 13 January, facilitated by Mersey Internal Audit Agency. The Committee agreed that the workshop has been a successful and valuable exercise providing a high degree of assurance. The Committee agreed upon a limited number of enhancements to Audit Committee arrangements and procedures.
- reviewed the Committee's terms of reference and determined that they remain substantially appropriate, but identified three areas

where further detailed specification/clarification may be beneficial. These matters are being explored with the Trust Secretary.

- considered and approved an Audit Committee Annual Workplan for 2014/15. This, as always, will be kept under review, including in respect of any modification to the Committee's terms of reference. The Workplan, attached as Appendix 2, is hereby put forward for Trust Board approval.
- received and considered a report regarding risk assurance reporting, including the latest version of the Board Assurance Framework and the Corporate Risk Register, and received and was assured by an update regarding the Trust's implementation and use of the Datix system.
- received and considered an Audit Committee Risk Assurance Report from the Finance & Investment Committee which provided assurance regarding the management of financial risks.
- received a brief verbal Risk Assurance update from the Chairman of the Charitable Funds Committee.
- received a Quality Committee Risk Assurance Report providing assurance regarding the management of Quality risks.
- received further assurance from the Executive Director of Finance & Performance and from Internal Audit regarding the accuracy and completeness of the Trust's Integrated Performance Report (IPR). The planned further improvements to the IPR, and the need to maintain accuracy and completeness, were noted.
- received an update from the Executive Director of Finance & Performance regarding the Trust's accounting policies confirming that, to date, no significant changes to the policies have been stipulated for the current financial year.
- reviewed and was assured by the 2013/14 Annual Accounts Timetable/Plan, the Annual Report Timetable/Plan, and the Business Plan Timetable/Plan.
- received, but did not review in detail, a first draft of the 2013/14 Quality Accounts. The Committee will review these in detail at a later date once a more final draft is available that has previously been reviewed and considered by the Quality Committee.
- received and considered a Draft Planning Report from Deloitte, the Trust's external auditors, setting out their planned approach to the audit of the 31 March 2014 accounts, including their assessment of key audit risks and how these will be addressed.
- received an Internal Audit Progress Report, providing an update on work according to the agreed Internal Audit Plan and providing

assurance in respect of auditable areas reviewed. Reflecting the increased level of internal audit activity now in place, the report confirmed that 16 audit reviews had been fully completed since the last Audit Committee meeting. Of these, only four had been classed as delivering 'limited', as opposed to 'significant', assurance. The Committee sought and received assurance that the internal audit findings and recommendations from all reviews, but particularly from the 'limited assurance' reviews, were receiving timely and effective management attention. The Committee was assured that the further 21 internal audit reviews at various stages of completion were currently showing no signs of serious weaknesses of which the Committee should be aware at this stage.

- noted and was reassured by the content of the 2014/15 Internal Audit Plan recently approved by TEG.
- noted and was reassured by the Local Counter Fraud Specialist progress report and the 2014/15 Coverage Plan.
- noted and was satisfied by the reported management progress in respect of prior audit findings and agreed recommendations
- reviewed and accepted a report in respect of SFI waivers and contract award activity over £100k
- reviewed and accepted an update regarding members' expenses for the current financial year to date as at December.
- reviewed and accepted the Schedule of Losses and Special Payments for the first ten months of 2013/14.
- reviewed and accepted an updated register of members' interests as at 26 February 2014, the content of which had been confirmed by all members.

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 6 March 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,

- derives adequate assurance regarding the activities of the Audit Committee and the assurance that it provides,
- approves the Audit Committee Annual Workplan 2014/15.

7. APPENDICES/BACKGROUND INFORMATION

Two appendices are attached to this report:

- 1. Approved minutes of the 10 December 2013 Audit Committee meeting
- 2. The Audit Committee Annual Workplan 2014/15, approved by the Audit Committee at its 6 March 2014 meeting.

Barrie A Senior FCA
Chairman – Audit Committee
17 March 2014