



MEETING TITLE Trust Board Meeting in Public		MEETING DATE 22 July 2014	
TITLE of PAPER	Audit Committee Chairman's Report	PAPER REF	7.2
STRATEGIC OBJECTIVE	All		
PURPOSE OF THE PAPER	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.		
For Approval	X <input type="checkbox"/>	For Assurance	X <input type="checkbox"/>
For Decision	<input type="checkbox"/>	Discussion/Information	X <input type="checkbox"/>
AUTHOR / LEAD	Barrie Senior, Chairman of the Audit Committee	ACCOUNTABLE DIRECTOR	Rod Barnes, Deputy Chief Executive & Executive Director of Finance & Performance
DISCUSSED AT / INFORMED BY – include date(s) as appropriate Discussion and approval as appropriate at the 3 July Audit Committee meeting			
PREVIOUSLY AGREED AT:		Committee/Group: Audit Committee	Date: 3 July 2014
RECOMMENDATION	<p>That the Board:</p> <ul style="list-style-type: none"> ▪ notes and is assured by the content of this report, is assured by and approves the contents of the Audit Committee Annual Report 2013/14, and ▪ derives adequate assurance regarding the activities of the Audit Committee and the assurance that it provides. 		
RISK ASSESSMENT		Yes	No
Corporate Risk Register and/or Board Assurance Framework amended		<input type="checkbox"/>	X <input type="checkbox"/>
Resource Implications (Financial, Workforce, other - specify)		<input type="checkbox"/>	X <input type="checkbox"/>
Legal implications/Regulatory requirements		<input type="checkbox"/>	X <input type="checkbox"/>
Equality and Diversity Implications		<input type="checkbox"/>	X <input type="checkbox"/>
ASSURANCE/COMPLIANCE			
Care Quality Commission Registration Outcome(s)			
NHSLA Risk Management Standards for Ambulance Trusts			

YORKSHIRE AMBULANCE SERVICE NHS TRUST
AUDIT COMMITTEE CHAIRMAN REPORT TO THE BOARD, JULY 2014

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 3 July. A summary of key matters discussed in that meeting is provided in this report. The draft minutes of the 3 July meeting will be considered at the Committee's October meeting and the approved minutes will be presented to the 25 November Board meeting.
- 2.2 At the 3 July Audit Committee meeting, the Committee considered and approved its Annual Report 2013/14, which it now presents to the Board for its approval.
- 2.3 The draft minutes of the Audit Committee meetings on 6 March and 3 June were approved at the 3 July meeting and are attached to this report.

3. MATTERS TO BE REPORTED

- 3.1 This report:

- presents a report of the key matters considered, discussed and agreed at the 3 July Audit Committee meeting
- presents, as Appendices:
 - A - the Audit Committee's Annual Report 2013/14, for Board approval
 - B - the approved minutes of the Committee's 6 March meeting, for information, and
 - C - the approved minutes of the Committee's 3 June meeting, for information.

- 3.2 Key matters arising at the 3 July 2014 Audit Committee meeting

- The Committee received an update on and assurance regarding the on-going maintenance of the Board Assurance Framework and the Corporate Risk Register.
- The Committee considered a Risk Assurance Report from the Finance & Investment Committee. The Committee derived assurance from the report, whilst expressing concern regarding:
 - Principal risk reference 3a (inability to deliver performance targets and clinical quality standards) in the light of A&E operational performance year-to-date.

- Principal risk 5a (inability to deliver service transformation and organisational change, including non-delivery of cost improvement programmes) again in the light of A&E operational performance year-to-date.
- The Committee received and gained assurance from a Risk Assurance Report from the Quality Committee. The Committee was reassured by actions being taken to monitor for any evidence of harm to patients arising from performance challenges, and by there being no such evidence to date.
- The Committee received further assurance from executive management and from Internal Audit regarding the accuracy and completeness of the Trust's Integrated Performance Report.
- The external auditors provided:
 - Confirmation that the audit of the 2013/14 financial statements had been completed within timescales and with an unqualified audit opinion
 - Confirmation that they had completed testing of the 2013/14 Quality Accounts, and that there were no issues to report
 - Their annual audit fee letter confirming their fee for the 2013/14 audit and their proposed fee for 2014/15
 - A proposal, accepted by the Committee, for a robust methodology for the Committee to undertake a review of the effectiveness of external audit. The intention is to formalise the assessment of effectiveness at the October Committee meeting.
- In respect of Internal Audit and Counter Fraud:
 - The Committee received, considered and was assured by a progress report from Internal Audit, including the results of fifteen audit reviews recently completed. Significant assurance was provided in respect of:
 - Financial Planning & Management – Budget Holder Financial Reporting
 - 111 Service
 - Board Assurance Framework
 - Information Governance Toolkit – Part 2
 - Training & Education Plan
 - Estates Strategy Implementation
 - Infection Prevention & Control
 - Emergency Planning – CCA Cat 1 Responder Arrangements & Management
 - Recruitment – Organisational Monitoring & Performance Management

- Quality Governance – Patient Advice & Liaison Service/Patient Experience
- Travel & expense claims

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

- ICT – Project Management Controls – ECS Continuous Testing – Report 3
- Fleet – Vehicle Workshops Repair & Maintenance
- Commissioning & Contracting – Healthcare Contract Management/Option Appraisals/Feasibility/Business Cases
- Clinical Leadership Framework & Development

The Committee noted the remedial actions planned, and in some cases already completed, to address the findings of the limited assurance reviews, and requested further updates at the October Committee meeting.

- The Committee considered, accepted and was assured by the Internal Audit Annual Report 2013/14, incorporating a positive assessment of Internal Audit effectiveness.
- The Committee was reassured by the latest Anti-Fraud Progress Report and by the Anti-Fraud Annual Report 2013/14
- The Committee received and was informed by the results of a Counter Fraud benchmarking exercise involving six ambulance trusts.
- The Committee noted and was reassured by recent progress to implement audit recommendations.
- The Committee considered and approved the draft Audit Committee Annual Report 2013/14 (see 3.3 below, and Appendix A)
- The Committee gained further assurance regarding the Trust's compliance with Standing Orders and Standing Financial Instructions, whilst requesting further work to be undertaken.
- The Committee received and accepted a report regarding SFI waivers and contract activity over £100,000 since the last Committee meeting.
- The Committee received and noted confirmation that Standing Orders had not been suspended during the period since the last Committee meeting.
- The Committee considered and noted proposed changes to the Trust's Standing Orders and Standing Financial Instructions, relating to modifications to Committees' terms of reference, prior to their formal approval by the Board.
- The Committee reviewed the update on members' expenses for Q4 2013/14 and noted the proposed improved process for monitoring and checking members' expenses.

- The Committee reviewed and noted 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 considered and accepted a report from the Executive Director of People & Engagement regarding risk identification, assessment and management within his directorate.

3.3 Attached at Appendix A to this report is the Audit Committee Annual Report 2013/14 that was approved at the 3 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 3 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, is assured by and approves the content of the Audit Committee Annual Report 2013/14, and
- derives adequate assurance regarding the activities of the Audit Committee and the assurance that it provides.

7. APPENDICES/BACKGROUND INFORMATION

Three appendices are attached to this report:

- A - Audit Committee Annual Report 2013/14
- B - Approved minutes of the Audit Committee meeting held on 6 March 2014
- C - Approved minutes of the Audit Committee meeting held on 3 June 2014

Barrie A Senior FCA
Chairman – Audit Committee
11 July 2014