

Board of Directors Meeting in Public

Subject:	Report of the Audit and Assurance Committee	Date: 31 st January 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 17 th January 2019. This paper informs members of the significant matters agreed by the Committee for reporting to the Board of Directors:			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				
N/A				
Executive Summary				
<p>The Board of Directors is asked to accept the content of the Report and 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 <p>The Audit and Assurance Committee met on 17th January 2019. The meeting was quorate, the Minutes approved and there were no outstanding actions. There were no declarations of interest.</p> <p>The following items were presented and discussed:</p> <p><u>Internal Audit</u></p> <p>Progress report behind plan but assurance provided would be completed in line with schedule.</p>				

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.

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.