

Board of Directors Meeting in Public

Subject:	Report of the Audit and Assurance Committee	Date: 28 th March 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 21 st March 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"> • Progress against Internal Audit plan • Progress against the External Audit plan <ul style="list-style-type: none"> ○ update on the two new accounting standards <ul style="list-style-type: none"> ▪ IFRS 9 “Financial Instruments” ▪ IFRS 15 “Revenue from Contracts with Customers” • Clinical Audit deep dive • Cyber Security deep dive • Conflicts of Interest – Approved for submission to Board. • Terms of Reference – Approved • Workplan – Approved • Committee effectiveness review – completed <p>The Audit and Assurance Committee met on 21st March 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>				

Counter Fraud Progress Report

Progress reported against annual plan, 73 days out of 85 days utilised, no issues raised for escalation.

Internal Audit

Progress made in relation to delivery of the Trust's 2018/19 Internal Audit Plan.

The report covered work undertaken since the last Audit and Assurance Committee meeting on 17th January 2019. Stage 3 of our Head of Internal Audit (HOIA) Opinion Work Programme, has commenced, in preparation for providing the Head of Internal Audit Opinion at the year end.

Implementation of recommendations, while still good at 76.8%, does represent a further slippage and is below the 90% achieved last year. All outstanding recommendations to be progress chased and for those that haven't been implemented without agreed good reason their owners will be asked to attend the next Audit and Assurance Committee Meeting to explain why implementation has not happened and an action plan to address.

External Audit

PWC presented a progress report against the External Audit plan, detailing the auditor's responsibilities, approach, risks and audit timetable.

Since the last meeting of the Audit committee in January they have:

- Conducted the Interim audit
- Held a planning meeting with the Chief Nurse with regard to the quality reports audit,
- Agreed a timetable and logistical arrangements for the review of the Annual Report.

There was an update on the two new accounting standards which have been adopted for use in the NHS for periods commencing 1st April 2018 (financial year 2018/19):

- IFRS 9 "Financial Instruments"
- IFRS 15 "Revenue from Contracts with Customers"

Clinical Audit Deep Dive

Committee received a detailed report on clinical audit which showed considerable progress over the last two years and included plans for further improvement. Committee acknowledged the report and agreed the ongoing monitoring of clinical audits should revert back to the Quality Committee.

Cyber Security Assurance

NHIS presented a deep dive report on Cyber Security, detailing background to this key risk and the steps taken/being taken to mitigate the risk. It was acknowledged that good progress has been made but that continued vigilance and work to reduce the number of unsupported operating system installations was required.

Register of Interests

Committee received the annual report on the Conflicts of Interest Report, the committee acknowledge the work undertaken to achieve the improved position and noted the actions proposed for 2019/20 to improve compliance. The committee approved the Register for submission to the Board.

Terms of Reference and Workplan

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. The workplan was approved.