

Briefing from Audit Committee: 10 January 2013
Presented by Sarah Connor, NED, Committee Chair

Internal Assurance

IRGC / CQuAC feedback Issues were briefed which will be fed back to the Board by those Committees / Execs – there was nothing for Audit Committee to take further.

CQC Registration There were no assurance issues.

Clinical Audit Results There are no concerns arising from clinical audits.

Review of Annual Governance Statement (AGS) process The Committee received an update, which confirmed that issues noted in the 2011/12 report had been resolved, although HCAI target and capacity issues still existed and would appear again in this year's AGS. We were advised that Execs are content with the systems of internal control and their effectiveness. The Head of Internal Audit Opinion will note the limited assurance opinion in the A&E Data Quality / Data Capture audit, but he is not aware of any other issues to note.

Financial Management Assurance

Finance Report There were no assurance issues for Audit Committee's attention.

Losses & Compensation Noted.

Waiver Register Noted. Finance Director commented that a significant number of waiver requests are not approved, that there are continuing requests for retrospective waivers where goods / services are already received, and that the quantity of waiver requests is not reducing. It was agreed that refused waiver requests should be included in the report, that proper processes must be re-stated, and sanctions (both disciplinary and attendance at Audit Committee) need to be applied.

Gifts & Hospitality Register In spite of the Committee's previous urgent requests to raise the level of (currently limited) assurance that can be given on adherence to the policy, and a request that the policy be amended to one of monitoring rather than just recording, no progress has been made. The Register produced for the papers had only 4 items listed, covering October – December, and verbal confirmation was given that no items had been declared since. Clinical declarations are not yet being included, although it was confirmed that these are logged separately. The continued explanation of lack of resource is not an acceptable reason for resolving this issue, which was supposed to be discussed at an Exec Team meeting during November / December.

Audit Assurance

External Audit progress report The 2012/13 audit has started. The External Audit performance report covered peer review of audit files, results of Trust post-audit questionnaires and KPIs. The peer review found that files were compliant with all requirements. Questionnaires in general confirmed that Trust staff feel that External Audits are at expected standard or above, with the exception of the Financial Resilience Review and Report, which was rated as below standard – External Audit confirm that they have

discussed this with staff and are incorporating feedback into the 2012/13 audit planning. KPIs around deliverables were met; reports were mostly late and this needs to be addressed; all but 1 of the recommendations raised were accepted.

Internal Audit Report 4 audits were brought to this meeting (Income & Debt Management, Budget Setting, Control & Financial Management, Payments & Creditors, and Asset Management), of which 2 were “green” and 2 were amber/green opinions, and an update on the NHS Supply Chain audit from 2011/12 (which confirmed there are no issues for the Trust), with a total of 1 high; 2 medium; and 5 low importance recommendations. In addition, audit recommendations from previous audits were followed-up, which found only 1 low-importance recommendation outstanding.

The review of Estates Business Cases, on which draft management responses were due by 19 September and should have come to the November Audit Committee meeting, was still not available, with no Management response received by the date of the meeting. Internal Audit were asked to send the draft report to the NEDs to assess the risks exposed by the review, which has an amber / red opinion, and we agreed that we would discuss the report by the date of the Board meeting.

Subsequent to the meeting, a response has been drafted and the Committee has reviewed both the report and this response. The 3 recommendations have been accepted and are already in place or will be implemented by the end of this month. There appear therefore to be no risks of which the Board needs to be made aware.

At the previous meeting, we agreed that we might be able to resolve Audit Committee's continuing concerns about late Trust responses to Internal Audit reports (the previous discussion at DSG having not resolved this issue) by inviting Internal Audit to attend an Exec Team meeting before each Audit Committee meeting to raise awareness of the business benefits of the audits. However, with the change in Internal Auditors, this will take longer to implement, and we agreed that we would instead revert to asking Executives to attend Audit Committee meetings when responses are late.

Overdue Audit Recommendations Finance reported that they are spending too much time chasing overdue recommendations, and asked that persistent non-compliance should result in attendance at Audit Committee to explain. They will send a note to Divisions setting this out, along with “hints & tips” about managing / updating the database.

AOB

Agreement of content of report to Board; draft agenda for March Committee meeting; date of next meeting.

Sarah Connor
NED Chair of Audit Committee
22 January 2013