

Summary of issues considered by the Audit Committee on 12 February 2019 4 March 2019

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Agenda Item No: 12.5

Trust Board Report

Meeting Date:	4 March 2019
Title:	Summary of issues considered by the Audit Committee on 12 February 2019.
Executive Summary:	This report sets out the more significant matters which the Audit Committee discussed at its most recent meeting, in order to provide information and assurance to the Trust Board.
Action Requested:	To note the report
Report of:	Mr Roger Dunshea, Non-Executive Director and Chair of the Audit Committee
Author: Contact Details:	Mr Roger Dunshea Tel: 01902 695953
Resource Implications:	None
Public or Private: (with reasons if private)	Public Session
References: (e.g. from/to other committees)	To receive and consider reports from External Audit, Internal audit, Security Management and Counter Fraud. To review other sources of assurance including third party assurances
Appendices/ References/ Background Reading	None
NHS Constitution: (How it impacts on any decision-making)	In determining this matter, the Board should have regard to the Core principles contained in the Constitution of: <ul style="list-style-type: none"> ✚ Equality of treatment and access to services ✚ High standards of excellence and professionalism ✚ Service user preferences ✚ Cross community working ✚ Best Value ✚ Accountability through local influence and scrutiny

Background Details

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The agenda included internal audit reports, external audit planning, BAF, security, and counter-fraud updates. The key points to note were:

- **Updates from QGAC, F&PC and TMC on increasing risks that require new controls, mitigation or third party audit.** Topics included the Venous Thrombo-Embolism (VTE) rate and how this data is assured, the Trust's challenging financial position for 2019-20, and recruitment. The committee asked for clarification on VTE data assurance. No other risks or matters for the attention of internal audit were raised.
- **Board Assurance Framework and SRR**
The committee noted the changes to the BAF and noted there were no new risks added. The red risks related to recruitment, financial challenges and standardised mortality rates. All of these remained a priority for the executive.
- **Previous Internal Audit reports**
The committee had expected at the meeting to receive two update briefings on theatre productivity and pharmacy data quality. Neither was presented as requested. The committee asked to see the briefings in writing as soon as possible after the meeting.
- **2018-19 Internal Audit reports**
The committee received a report on the Cannock hospital business case and noted that a post implementation review has not been completed in line with standard procedures. A report on the cost improvement programme indicated a concern over the level of engagement by clinical colleagues at directorate level. These two areas will require follow up by the executive. Reports on capital planning and safe staffing received positive assurances.
- **Counter fraud**
The committee received the update report and noted the progress on awareness and prevention. The committee discussed the current caseload and requested clarification on timescales and handling.
- **External Audit**
The committee received the draft external audit plan for the 2018-19 accounts. There is a new focus on expenditure recognition. The financial position of the Trust is an escalating concern allied to the need to have a robust audit of our accounts and any underlying significant risks.
- **Financial policy and standards**
The committee received assurances on the accounting for IFRS 9 (Financial Instruments), IFRS 15 (Revenue from Contracts with Customers) and the Black Country Pathology Service.
- **Losses and Compensation payments.**
The Committee recommended the paper for Board approval. Of considerable concern was the escalating write off relating to private patient income. The committee asked for clarification and a tightening of the private patient policy, to ensure this problem does not recur.