

# Chair's Report of the Audit Committee of the 24 May 2019

4 June 2019

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Agenda Item No: 10.5

## Trust Board Report

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| <b>Meeting Date:</b>   | 24 May 2019  |
| <b>Title:</b>  | Summary of issues considered by the Audit Committee on 24 May 2019.  |
| <b>Executive Summary:</b>  | 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. The Committee recommends to the Board the approval of the Annual report and Accounts 2018-19 and the Quality Account 2018-19.  |
| <b>Action Requested:</b>   | To note the report   |
| <b>Report of:</b>  | Mr Roger Dunshea, Non-Executive Director and Chair of the Audit Committee  |
| <b>Author:<br/>Contact Details:</b>                                  | Mr Roger Dunshea<br>Tel: 01902 695953  |
| <b>Resource Implications:</b>  | None   |
| <b>Public or Private:<br/>(with reasons if private)</b>              | Public Session   |
| <b>References:<br/>(e.g. from/to other committees)</b>               | To receive and consider reports from Internal Audit, External Audit, Security Management and Counter Fraud .<br><br>To review other sources of assurance including third party assurances  |
| <b>Appendices/<br/>References/<br/>Background Reading</b>            | None   |
| <b>NHS Constitution:<br/>(How it impacts on any decision-making)</b> | In determining this matter, the Board should have regard to the Core principles contained in the Constitution of: <ul style="list-style-type: none"> <li>✚ Equality of treatment and access to services</li> <li>✚ High standards of excellence and professionalism</li> <li>✚ Service user preferences</li> <li>✚ Cross community working</li> <li>✚ Best Value</li> <li>✚ Accountability through local influence and scrutiny</li> </ul> |

## Background Details

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The agenda included the annual accounts 2018-19, the external audit ISA 260 report , the Letter of Representation , the draft Annual Report 2018-19 , the Annual Governance Statement 2018-19, and the Quality Account 2018-19. In addition the committee discussed the continued development of the BAF and security. 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.**

The chairs of the committees gave an update on the key risks for which they are responsible. Items brought to the attention of the committee were the CIP shortfall , NHSI category 3 performance monitoring, the proposed placements from the Aston Medical School and monitoring of patient long length of stays . This early in the year it was felt no further audits or additional controls were required. This will be reviewed at each meeting of the Audit Committee.

- **Board Assurance Framework and SRR**

The Committee discussed improvements to the completion of the BAF.

- **Accounts 2018-19, ISA 260 report and Letter of Representation .**

The annual accounts and ISA 260 report were discussed. The compressed timetable set by the centre gave the committee only a short time to review the reports and accounts. The KPMG report indicated no material concerns and gave positive assurance across all the key areas of the audit. The internal audit report by Grant Thornton for the year 2018-19 gave substantial assurance on the Trust's governance systems and controls The committee recommended the accounts be approved by the Board at the June meeting. The Letter of Representation was approved.

- **Draft Annual Report and accounts, Annual Governance Statement (AGS) and Quality Account 2018-19.**

These documents were recommended for approval by the Board.

- **Internal audit**

The internal audit plan 2019-20 was approved. The committee received updates on the recommendations tracker and reports on risk management, the BAF and LCRN controls. The report on risk management gave partial assurance with improvements required.

- **Losses and Compensation payments.**

The Committee recommended the paper for Board approval. A report was required for the September meeting on the escalating cost of write offs relating to overseas and private patients.