

## The Royal Wolverhampton NHS Trust

### CHAIRMAN'S SUMMARY REPORT

<b>Name of Committee/Group:</b>	Audit Committee	
<b>Report From:</b>	Chair of Committee – Surrinder Kalirai	
<b>Meeting Date:</b>	6 June 2013	
<b>Action Required by receiving committee/group:</b>		<b>For information and discussion</b>
<b>Aims of Committee:</b> Bullet point aims of the reporting committee (from Terms of Reference)	<p>The Audit Committee:</p> <ul style="list-style-type: none"> <li>Advises the Board on internal and external audit services</li> <li>Reviews the establishment and maintenance of an effective system of internal control, that supports the achievement of the organisation's objectives</li> <li>Monitors compliance with Standing Orders and Standing Financial Instructions</li> <li>Reviews the Annual Accounts prior to submission to the Board</li> </ul>	
<b>Drivers:</b> Are there any links with Care Quality Commission/Health & Safety/NHSLA/Trust Policy/Patient Experience etc.	<ul style="list-style-type: none"> <li>DOH</li> <li>Internal and External Auditors</li> <li>NHS Protect</li> <li>No direct links with patient experience</li> </ul>	
<b>Main Discussion/Action Points:</b>	<ul style="list-style-type: none"> <li>The Audit Committee received a number of updates from the Local Security Manager, Counter Fraud Manager, Internal and External Audit.</li> <li>Internal Audit had finalised four reports for:-               <ul style="list-style-type: none"> <li>- Data Quality Accident and Emergency Department (good progress)</li> <li>- Safeguarding Children and Adults (Green/Amber opinion)</li> <li>- Consultant Job Planning (Red opinion)</li> <li>- Community Equipment Planning (Red Opinion)</li> </ul> </li> </ul> <p>The Audit Committee discussed in particular the 'Red' opinions and the action plans in place to address the concerns.</p>	

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- Internal Audit presented their Annual Report for 2012/13, which summarised the year's work and the Head of Internal Audit conclusion was that there was 'significant assurance' that there were sound systems of internal control in place.
- External Audit presented their ISA 260 report which identified:-
  - The Audit had progressed very well
  - There was excellent engagement with the Trust team
  - The quality of working papers was high
  - All areas were scored green except one where readiness for the start of the audit had been delayed due to an unplanned staff absence
  - There was some debate with regard to a small legal provision for a HR case

Overall External Audit were going to give an unqualified opinion of the 2012/13 Financial Accounts and Annual Report/Quality Account.

- The Audit Committee received the draft accounts, made some minor comments and with those changes approved the submission of the accounts and approved the accounts to go to Trust Board for approval.
- The Audit Committee also received the Trust's Assurance Governance and Going Concern statements. These were tested and then approved.
- A Losses and Compensation report was received and noted write offs of £15,209.64 for 36 cases and approval was given to write off a further £213,131.87.
- An amendment was approved to Standing Financial Instructions to increase Charitable Funds authorisation levels to £50,000 for the Chief Executive and Chief Financial Officer in line with other Trusts.
- An update report was received on the declarations in the Trust's Register of Interest and Hospitality. The number of declarations was believed to be low so the Executive/Trust Board Secretary agreed to raise the profile across the organisation.

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	<ul style="list-style-type: none"><li>• The Trust Annual Report and Quality Account for 2012/13 was received, reviewed and commented on and approved for onward submission to the Board.</li><li>• The Audit Committee workplan for 2013/14 was presented and approved by the Committee and is attached to these notes for information.</li></ul>
<b>Risks Identified:</b> Include Risk Grade (categorisation matrix/Datix number)	No new risks identified for the BAF/TRR.

Minutes of the Audit Committee

**Date** Thursday, 6 June 2013  
**Venue** Conference Room, Hollybush House  
**Time** 9.00 am

**Present:**

<u>Name</u>	<u>Role</u>
Surrinder Kalirai	Non-Executive Director (Chair)
Jeremy Vanes	Non-Executive Director

**In Attendance:**

<u>Name</u>	<u>Role</u>
Kevin Stringer	Chief Financial Officer
Sandra Ness	Deputy Chief Financial Officer
Mark Jones	PricewaterhouseCoopers
Natalie Ingles	PricewaterhouseCoopers
Glen Palethorpe	RSM Tenon
Paul Westwood	Coventry & Warwickshire Audit Service
Richard Jones (part)	Deputy Security Manager
Adrian Sargent	Trust Board Secretary
Anne-Louise Stirling	Personal Assistant to Chief Financial Officer (minute taker)
Matthew West	Financial Controller
Charlotte Hall (part)	Deputy Chief Nurse
Jamie Emery (part)	Patient Experience Lead

Item No		Action
17/2013	<b><u>Apologies for absence</u></b> Paul Smith - Security Manager, Sue Rawlings - Non-Executive Director and Helen Davis - Head of Strategy and Service Redesign	

Item No		Action
18/2013	<p><b><u>Minutes of the Audit Committee meeting held on 26 February 2013 and the Joint Board Assurance and Audit Committee meeting held on 25 April 2013</u></b></p> <p>The committee approved the minutes of the meetings held on 26 February 2013 and 25 April 2013.</p>	
19/2013	<p><b><u>Matters arising from the minutes of the meeting of the Audit Committee held on 26 February 2013</u></b></p> <p><u>7/2013 – Fraud Progress Report 2012/13 (page 5)</u> K Stringer reported that he had received assurances from the Finance Director that all the appropriate checks to evidence qualifications for nurses and doctors were addressed to and that procedures prior to appointment were very robust.</p> <p>G Palethorpe advised the committee that a planned piece of work by Internal Audit would give formal assurance that processes were in place.</p> <p><u>7/2013 – Fraud Progress Report 2012/13 (page 5)</u> The Chair thanked S Ness for the comprehensive email detailing overpayments to date, together with the explanatory detail. From an Internal Audit point of view, G Palethorpe advised that there were no inconsistencies with the report issued last year on the Payroll Review.</p> <p>The Chair concurred that if there were any further issues for debate they would be discussed outside of the meeting.</p> <p><u>7/2013 – Draft Anti-Bribery Policy (page 6)</u> P Westwood confirmed to the committee that the draft Anti-Bribery Policy would be presented to the June meeting of the Trust Management Team. In response to the Chair, K Stringer confirmed that he was the Compliance Officer for the policy.</p> <p><u>10/2013 – Recommendation Tracking (page 8)</u> K Stringer advised the committee that he would be liaising with G Palethorpe to draw up a robust escalation process to ensure that recommendations not actioned were brought to the appropriate Executive Directors attention. Progress on this item would be reported back to the September meeting.</p> <p><b><u>Matters arising from the minutes of the meeting of the Joint Board Assurance Committee and Audit Committee held on 25 April 2013</u></b></p> <p><u>7.1 – PricewaterhouseCoopers External Audit Update Report (page 10)</u> The Chair enquired if the detail requested by C Etches (Chief Nurse) had been circulated in relation to a particular case study. M Jones responded that he would determine whether or not this had been actioned and advise at the next meeting.</p>	<p>P Westwood</p> <p>K Stringer/ G Palethorpe</p> <p>M Jones</p>

Item No		Action
20/2013	<p><b><u>Audit Committee Action Points</u></b> The Committee reviewed the list of Action Points, and the following observations were made:-</p> <ul style="list-style-type: none"> <li>• <u>Stock Control Procedures</u> – G Palethorpe reported that this would be discussed later in the meeting as an agenda item.</li> <li>• <u>Community Services Post TCS</u> – This item was now closed.</li> <li>• <u>Bribery Act – Draft Policy</u> – P Westwood advised that a report would be presented to the next meeting of the Trust Management Team. This item can now be closed.</li> <li>• <u>Never Events</u> – G Palethorpe confirmed this item had been actioned and could, therefore be closed down.</li> <li>• <u>Qualifications relating to Nurses and Doctors</u> – K Stringer advised this item was discussed earlier in the meeting and all action had been completed. This item can now be closed down.</li> <li>• <u>Recommendation Tracking</u> – K Stringer reiterated the conversation earlier in the meeting that he would liaise with G Palethorpe regarding an appropriate escalation process to bring to Directors attention outstanding Internal Audit recommendations that fall within their portfolio.</li> <li>• <u>Register of Interests/ Gifts and Hospitality</u> – A Sargent advised that this was an agenda item for today's meeting.</li> </ul> <p><b>RESOLVED:</b> That the report on the Audit Committee action points be noted and updated accordingly for the September meeting.</p>	
21/2013	<p><b><u>Declaration of Interest</u></b> No interests were declared at this meeting.</p>	
22/2013	<p><b><u>Security Report</u></b> R Jones presented on behalf of P Smith the quarterly report on security across the Trust, and highlighted the following points.</p>	

Item No		Action
	<ul style="list-style-type: none"> <li>• <u>Capital Works within the Maternity Building</u> – R Jones reported that confirmation had now been received that the Safehands system and the Trust’s security system were not compatible to be combined into one system. It was, therefore, noted that a business case for capital funding would be resubmitted to the June meeting of the Capital Review Group. The Chair enquired at what level this risk was on the Trust Risk Register. K Stringer asked R Jones to ascertain this detail, in order that assurance can be provided to the committee.</li> <li>• <u>Community Premises and Community Services</u> - The committee noted that a total of five properties were transferred to the Trust on the 1 April 2013. R Jones confirmed that security arrangements were in place to ensure that both staff and premises are protected and monitored.</li> <li>• <u>Review of Incidents</u> – The Committee noted that the number of incidents relating to theft and damage had slightly declined compared to the previous quarter.</li> <li>• <u>Incidents of Violence or Abuse</u> – R Jones reported that although the total incidents had a slight increase for the quarter it was important to recognise that the ‘intentional assaults’ column mainly related to medical wards (care of the elderly) where patients were under the care of the dementia team.</li> </ul> <p>K Stringer referred to the graph regarding ‘verbal and non-verbal abuse’ and pointed out that the headings did not relate to the colour bars and, therefore, it was not apparent to which speciality the two amber bars related to. R Jones undertook to revise this page and recirculate to committee members.</p> <p>The committee noted as separate appendices the Security Annual Report for 2012/13 and the Annual Workplan for 2013/14. R Jones advised that in relation to ‘Access Control’, the Trust was currently operating two access control systems. One system on the RWT site and one on Community premises, however, work was on-going to establish a one card system that will enable staff to use both systems.</p> <p><b>RESOLVED:</b> That the quarterly report on security within the Trust be noted</p> <p>R Jones left the meeting.</p>	<p>R Jones</p> <p>R Jones</p>

Item No		Action
23/2013	<p><b><u>Counter Fraud – Coventry &amp; Warwickshire Audit Services</u></b></p> <p><u>Annual Report 2012/13</u> P Westwood presented the Annual Report, summarising counter fraud activity for the financial year 2012/13.</p> <p>The committee noted that the report detailed work undertaken against the agreed plan and provided details of any findings and conclusions arising from fraud activity work, all of which had been reported previously at meetings of the committee.</p> <p>Referring members to Appendix 1 (page 12) P Westwood highlighted the shortfall of 8.1 days and assured the committee that these days would be rolled forward into the 2013/14 work plan.</p> <p>The detail provided in Appendix 2 related to Secretary of State Directions and itemises action taken by the Trust to meet the key requirements.</p> <p>The Chair asked P Westwood for his opinion on the Trust’s approach to fraud compared to neighbouring Trusts. P Westwood responded that the Trust’s approach was very positive and supportive and he had established good working relationships. The Chair enquired from M Jones his view in relation to the scope of fraud work undertaken. M Jones responded that the agenda for fraud work was fairly prescriptive with the built in ability to tailor specific work to the risks of the Trust. G Palethorpe reassured the committee that Internal Audit had regular meetings with P Westwood to ensure consistency.</p> <p>K Stringer advised the committee that full support was given to national best practice, but also other areas were looked at where they may be areas of potential risk.</p> <p><b>RESOLVED:</b> The committee noted the Annual Report for 2012/13.</p> <p><u>Fraud Progress Report</u> P Westwood gave a verbal update to members of the committee on progress made since the last meeting of the committee in February 2013.</p> <p>The committee noted the following:-</p> <ul style="list-style-type: none"> <li>• There had been three minor enquiries raised with LCFS since the last meeting of the committee</li> <li>• The counter fraud newsletter will be circulated electronically to all staff next week</li> <li>• NHS Protect have issued a new set of standards, which replaces Compound Indicators, which will be discussed in more detail at the September meeting.</li> </ul> <p><b>RESOLVED:</b> The committee thanked P Westwood for the verbal update.</p>	



Item No		Action
24/2013	<p><b><u>Internal Audit – RSM Tenon</u></b></p> <p><u>Internal Audit Progress Report (including Recommendation Tracking)</u></p> <p>G Palethorpe presented the progress report to the committee providing an update on the outcomes of internal audits during 2012/13 and particularly since the joint meeting of the Board Assurance Committee and Audit Committee in April 2013.</p> <p>It was noted that four reports had been finalised since the last meeting of the committee namely:-</p> <ul style="list-style-type: none"> <li>• Data Quality Follow Up, A&amp;E Department Activities (Good Progress Opinion)</li> <li>• Safeguarding Children, including a follow up of previous Adult Safeguarding Reports (Green/Amber Opinion)</li> <li>• Consultant Job Planning - (Red Opinion)</li> <li>• Community Equipment Stocks (Red Opinion)</li> </ul> <p>G Palethorpe advised that in relation to the Community Equipment Stocks audit there had been some discussion around whether this was deemed to be stock or consumables. The committee noted that the recommendations were deemed 'high' for this particular audit. G Palethorpe reported that S Ness had kindly agreed to work through the recommendations and assign as appropriate to individual Directorates. S Ness reported that work needed to be carried out on reviewing current working practices and processes. The Chair enquired as to the likely timescale for the work to be completed and asked that the action plan be shared with members of the committee, in view of the 'high' opinion.</p> <p>G Palethorpe referred to the Consultant Job Planning audit and reported that the recent audit work had confirmed that there was still a lot of work to be completed, which was reflected in the 'high' opinion. The audit had also identified recommendations that had previously been made and had been subsequently 'closed down' on the 4action tracking system. However, they had not been adequately implemented. Therefore, it was noted that a recommendation had been made to reinstate the two recommendations in question. K Stringer advised that he had discussed this matter with Executive Director colleagues yesterday at their weekly meeting. It was further acknowledged that little progress had been made on previous years, which was very disappointing and, therefore, needed to be monitored carefully. The Chair asked that G Nuttall (Chief Operating Officer) be invited to attend the September meeting to provide an update on progress.</p> <p>G Plenthorpe referred the committee to the new style 'recommendation tracking' report providing an update in respect of audit recommendations and agreed actions. It was noted that following a review by RSM Tenon a significant number of old recommendations had now been closed down as they were deemed to be actioned. K Stringer undertook to liaise with G Palethorpe to produce an escalation process that could be shared with Executive Director colleagues, detailing any overdue recommendations that needed to be addressed. K Stringer agreed to bring back to the September meeting detail of the escalation process put in place.</p>	<p></p> <p><b>S Ness</b></p> <p><b>K Stringer</b></p> <p><b>K Stringer</b></p>

Item No		Action
	<p>Following discussion G Palethorpe agreed to provide K Stringer with a progress report for discussion with Executive Directors every 2/3 weeks. The Chair requested that any recommendations over 12 months old be presented to the committee and the full detail added to the report.</p> <p><b>RESOLVED:</b> That the progress report from RSM Tenon on progress against the Internal Audit Plan 2012/13 be noted.</p> <p><u>Internal Audit Annual Report 2012/13</u></p> <p>G Palethorpe presented the Annual Report for the year ended 31 March 2013 summarising work completed.</p> <p>G Palethorpe explained that the Head of Internal Audit Opinion (HoIA) had been prepared based on the audit work completed and the overall adequacy and effectiveness of the Trust's systems of internal control. Referring the committee to page 1, point 2 the committee noted that based on work undertaken during 2012/13 significant assurance that sound systems of internal control were in place had been evidenced.</p> <p>Referring to section 2.1 – Annual Governance Statement, G Palethorpe advised there were no issues of significance that needed to be flagged as internal control issues within the Annual Governance Statement.</p> <p>G Palethorpe advised members that Appendix A detailed 'Internal Audit Opinions and Recommendations 2012/13' and Appendix B summarised the 'Key Findings from Internal Audit Reviews 2012/13' and welcomed any questions.</p> <p><b>RESOLVED:</b> The committee noted the report.</p>	G Palethorpe
25/2013	<p><u>External Audit - PricewaterhouseCoopers</u></p> <p><u>ISA 260 Report</u></p> <p>M Jones presented the ISA 260 to members of the committee. He advised that the audit had been very successful and both parties had worked well together to manage risks and processes.</p> <p>He further advised that the audit had been completed with only three outstanding matters. However, this would not deter from being able to issue an unqualified conclusion on the Trust's use of resources and an unqualified audit opinion on the financial statements.</p> <p>Key outstanding matters:-</p> <ul style="list-style-type: none"> <li>• Approval of the financial statements by the Audit Committee</li> </ul>	

Item No		Action
	<ul style="list-style-type: none"> <li>• Receipt and review of the final revised financial statements, Annual Report and Annual Governance Statement</li> <li>• Receipt of all relevant signed statements and the Management Representation Letter</li> </ul> <p>Referring to page 4, the Executive Summary, M Jones reported that a traffic light system had been used in relation to the six areas audited, namely:-</p> <ul style="list-style-type: none"> <li>• Draft Accounts</li> <li>• Readiness for start of audit and working papers</li> <li>• Availability and responsiveness of staff</li> <li>• Significant audit and accounting issues</li> <li>• Internal Control Systems</li> <li>• Value for money conclusion</li> </ul> <p>and advised that overall the result was positive with one area assigned as 'Amber'. The 'Amber' related to the 'readiness for the start of audit and working papers', however, M Jones reported that despite the delay due to staff absence the matter was resolved and work was reprioritised to avoid any delay.</p> <p>M Jones highlighted that in relation to the Draft Accounts the Trust had taken on board last year's comments in that there was insufficient tailoring of the financial statements template and this had been corrected this year.</p> <p>The Chair referred to the 'legal provision' on page 6 and asked whether this was part of a Trust policy. K Stringer responded there was not a Trust policy on making such a provision, however, a decision had been made following a review of this particular case with HR.</p> <p>Referring to page 6 and the detail relating to the deferred income in relation to the Safehands Project. Members noted that the Trust had now reforecast expenditure to be incurred against the lifetime of the project. M Jones drew members' attention to the phasing profile and advised that there was no significant difference between the two scenarios. However, External Audit would be seeking representations from the Trust that expenditure would be incurred against the deferred income in future years.</p> <p>M Jones concurred that overall the audit had been successful with a positive outcome and a positive report on the Trust's performance. The Chair commended both S Ness and K Stringer and the finance team on a very successful audit particularly in view of work pressures during the last financial year.</p> <p><b>RESOLVED:</b> The committee duly noted the ISA 260.</p>	

Item No		Action
	<p><u>Representation Letter</u> M Jones presented the Representation Letter to the committee provided in connection with the audit of the financial statements 31 March 2013.</p> <p>M Jones drew the committee's attention to page 2 in relation to the two unadjusted misstatements relating to MRI fixed assets and legal case provision. M Jones advised that a sentence could be added making reference to the fact that the Trust purchased the MRI scanner in May 2013, which will now correct the accounting entry for 2013/14. K Stringer agreed this would be helpful to add as an explanatory note.</p> <p>Referring to page 6 – NHS Agreement of Balances it was noted that the outstanding balances/transactions with Birmingham East and North PCT had not been resolved and, therefore, the table could be removed from the letter and the text edited to reflect this change.</p> <p><b>RESOLVED:</b> The committee accepted the Representation Letter subject to the two suggested changes and noted the Letter would be presented to the June meeting of the Trust Board for approval.</p>	<p><b>K Stringer</b></p> <p><b>M Jones</b></p>
26/2013	<p><u>Annual Accounts 2012/13</u></p> <p><u>Financial Summary to 31 March 2013 (to include Accounts and overview of financial position)</u> K Stringer presented the Annual Accounts for 2012/13 to the committee for approval and advised he was happy to address any queries or issues from members.</p> <p>M West circulated two revised sheets relating to pages 42 and 51 of the accounts and explained that the changes were not significant.</p> <p>K Stringer drew members' attention to the Financial Summary, which had been circulated for observation/information.</p> <p>J Vanes noted that for consistency reasons the word 'hospitals' needed to be removed from text relating to the Trust's title.</p> <p>The Chair queried detail on page 29, for auditors' fees in relation to VAT, K Stringer acknowledged this needed to be consistent. The NHS was allowed to reclaim VAT for certain prescribed services as defined by MMRC and the note needed to be consistent with that treatment.</p> <p><b>RESOLVED:</b> The committee confirmed they were happy to accept the Annual Accounts for approval. The Annual Accounts will now be presented to the June Trust Board meeting for approval and for adoption at the Annual General Meeting in September.</p>	<p><b>M West</b></p> <p><b>M West</b></p>

Item No		Action
	<p><u>Annual Governance Statement</u> A Sargent presented the Annual Governance Statement for 2012/13 to members of the committee and advised that the statement had been revised to reflect the changes proposed at the joint BAC/AC meeting in April.</p> <p>Referring to page 2 committee members noted that the Board was compliant with the majority of key requirements set by Monitor’s Board Governance Assurance Framework. However, there were two exceptions one being the vacancies for Non-Executive Directors and second the need for an evaluation of the Board. A Sargent advised the committee that with the appointment of the new Chairman these two areas were expected to be resolved.</p> <p>The Chair referred to page 5 – Management of the Risk Register within the Trust – and enquired what the red risk pertained to and asked A Sargent to detail the title of the risk in brackets in the body of text for clarity.</p> <p><b>RESOLVED:</b> The committee approved the Annual Governance Statement subject to the change proposed by the Chair.</p> <p><u>Going Concern</u> K Stringer presented the Going Concern position statement for 2012/13 to members of the committee for their information.</p> <p>After consideration of the detail in the report members of the committee agreed with the conclusion of the report that the Trust is a going concern.</p> <p><b>RESOLVED:</b> The committee endorsed the Trust as a Going Concern</p>	A Sargent
27/2013	<p><u>Losses and Compensation Payments</u> S Ness presented the report on losses and special payments for the period 1 April 2010 to 31 March 2013 and 1 April 2013 to 30 April 2013.</p> <p>S Ness advised that page 2 of the report detailed the analysis of the write offs by the Chief/Deputy Chief Financial Officer under delegated authority. The committee noted there were 36 cases of loss to the value of £15,209.64 for the period 1 April to 30 April 2013 and a total of £20,224.23 for write off under delegated authority for 1 February to 31 March 2013.</p> <p>Following an in depth review of the debt position members of the committee were asked to approve the write off of £213,131.87, which has been provided for in the 2012/13 accounts. The committee noted that these debts related to overseas visitors’ treatment were the Trust’s appointed external debt collection agency had closed their files and were unable to pursue any further.</p>	

Item No		Action
	<p>S Ness reassured the committee that as previously reported a review of the Overseas/Private Patient Policy had taken place and that the Medical Director was actively raising the profile of the policy with Consultant medical staff, in order that patients are identified before treatment takes place.</p> <p><b>Resolved:</b> The Committee noted and approved the losses and special payments as detailed in the report.</p>	
28/2013	<p><b><u>Amendment of Standing Orders and Standing Financial Instructions</u></b></p> <p>S Ness presented the report on the proposed changes to Standing Orders and Standing Financial Instructions in relation to expenditure approval for Charitable Funds.</p> <p>K Stringer advised the committee that the proposed changes were in light of recent challenge from the Board to increase the level of expenditure being presented for approval for relatively small amounts. The request was, therefore, proposed to increase authorisation limit for Charitable Funds to £50,000 for Chief Executive and Chief Financial Officer approval.</p> <p>The Chair enquired if there were clear rules on what charitable funds could be used for. K Stringer responded that there was and that the Finance Department challenged any request that did not fall into the approved remit.</p> <p>The Chair further enquired if approval had to be sought from the Charitable Funds Committee for expenditure. S Ness responded that this was not the case. However, proposed expenditure plans from Trust Fund Managers were presented identifying specific schemes to the Charities Committee. S Ness concurred that this issue would be raised and discussed at the next meeting of the Charitable Funds Committee in July.</p> <p><b>RESOLVED:</b> The committee approved the proposed amendments to Standing Orders and Standing Financial Instructions. A report will be produced for the June Trust Board meeting for their approval.</p>	S Ness
29/2013	<p><b><u>Registers of Interest and Gifts and Hospitality</u></b></p> <p>A Sargent presented the updated report to reflect issues raised at the February meeting of the committee.</p> <p>A Sargent reported that whilst work had been undertaken further education was required to improve the profile and accessibility of the Registers. It was noted that although there are currently some declarations on the Registers they are minimal. K Stringer concurred that more educational awareness was required so that no declarations were missed.</p> <p>A Sargent further advised that a letter entitled 'Standards of Business Conduct for NHS Staff' was circulated to all members of staff via payslips every two years advising staff of the action to be taken in respect of Interests, Gifts and Hospitality.</p>	

Item No		Action
	<p><b>RESOLVED:</b> The committee noted the report.</p> <p>C Hall and J Emery joined the meeting at 11.15 am.</p>	
30/2013	<p><b><u>Trust Annual Report and Quality Account 2012/13</u></b></p> <p>C Hall and J Emery presented the Annual Report and Quality Account 2011/12 to members of the committee. C Hall advised that H Davis was unable to attend the meeting and, therefore, tendered her apologies.</p> <p>C Hall advised that the report followed the format of last year's combined document, in order to present a more rounded picture of the Trust and also to avoid duplication of information. It was noted that the report will be presented to the June meeting of the Trust Board for approval and then for onward submission to the Department of Health.</p> <p>The committee noted that both the Annual Report and Annual Accounts had been reviewed by PricewaterhouseCoopers and was compliant with the national toolkit. M Jones reassured the committee that from an external audit point of view he was happy with the report.</p> <p>The Chair asked if there was a requirement for a Governance Statement to be included. M West advised as far as he was aware there was no requirement, but would double check the Manual for Accounts. M Jones confirmed that the inclusion of a Governance Statement did not appear in the checklist, but was an interesting question.</p> <p>The following amendments were noted:-</p> <p>Page 41 – The Appointment of Non-Executive Directors The appointment of the Chairman – Richard Harris should be added effective from 6 March 2013</p> <p>Page 16 – Jeremy Vanes, Non-Executive Director J Vanes advised that his career history was factually incorrect and agreed to supply C Hall with amended details</p> <p>Page 12 – Directors' Report Line in table entitled 'Total by GP' 0.7% should be a negative not a positive total.</p> <p>K Stringer enquired if the document presented today would be the document that would be available to the public via the internet or whether a summarised version would be available. J Emery advised that the document could not be summarised as it would not then adhere to the rules of the Quality Accounts.</p> <p><b>RESOLVED:</b> The committee noted the Annual Report and Quality Account, which would now be presented to the June meeting of the Trust Board for approval, subject to the changes detailed above.</p>	<p>M West</p> <p>C Hall</p>

Item No		Action
	C Hall and J Emery left the meeting at 11.30 am.	
31/2103	<p><b><u>Audit Committee Workplan 2013</u></b></p> <p>The Chair presented the Audit Committee Workplan for 2013 detailing the scheduling of work/reports to be presented to the committee during 2013.</p> <p>The Chair raised the self-assessment effectiveness review of the committee, scheduled to be carried out during September. G Palethorpe enquired how this process would be conducted and results assessed and asked whether the committee would like to use the self-assessment electronic tool used previously. K Stringer advised that in view of the high turnover of members he would discuss the options available with G Palethorpe on the agenda for the meeting and report back to the September meeting.</p> <p>M Jones advised that the External Audit Letter needed to be added to the workplan for reporting purposes in September 2013.</p> <p>Following discussion the committee agreed that clinical audit was not the role of the Audit Committee, but fell to the remit of the Board Assurance Committee. K Stringer agreed to ascertain when this would be happening on behalf of the committee and report back to the September meeting. The Chair reported that he had raised this issue with J Odum (Medical Director) and R Harris (Trust Chairman) and that he understood Internal Audit were to undertake a review later this year to test the adequacy of the processes. It was noted that this work had to be completed by Quarter 3.</p> <p>A Sargent enquired that in view of the Governance review findings being presented to the June Board meeting whether the workplan needed to come back to the September meeting for completeness.</p> <p><b>RESOLVED:</b> The 2013 workplan was approved subject to changes detailed above and would be presented again to the September meeting of the committee.</p>	<p>K Stringer/ G Palethorpe</p> <p>K Stringer</p> <p>K Stringer</p>
32/2013	<p><b><u>Issues of Significance Arising from Board Assurance Committee</u></b></p> <p>J Vanes reported that since the joint meeting of committees in April there was little to report on. However, of note was that the Chair of the Board Assurance Committee Balsinder had now completed her term as a Non-Executive Director of the Board.</p> <p>J Vanes also advised members that there would be significant changes to the structure of the Board Assurance Committee in light of the Governance Review that had taken place. The Trust was currently in the process of recruiting a new Non-Executive Director to lead and Chair the new arrangements of the committee.</p>	
33/2013	<p><b><u>Any Other Business</u></b></p> <p>The committee had no additional business to raise. The meeting concluded at 11.45 am</p>	



Item No		Action
34/2013	<b><u>Date and Time of Next Meeting</u></b> The next meeting of the Audit Committee will take place on Thursday, 5 September 2013 at 9.00 am in the Conference Room, Hollybush House.	

DRAFT

AUDIT COMMITTEE WORK PLAN 2012/13

	Meeting 1 26.2.13	Meeting 2 25.4.13	Meeting 3 6.6.13	Meeting 4 5.9.13	Meeting 5 10.12.13
<u>Item</u>					
Review Assurance Framework/ Risk Register		✓			
Review of draft Annual Governance Statement		✓	✓		
Approval of Internal Audit Plan	✓	✓			
Review of Internal Audit Progress Reports	✓	✓	✓	✓	✓
Review of annual accounts progress + agreement of final accounts process and timetable			✓		
Agreement of External Audit plans and fees	✓				
Note business of other committees and review inter-relationships	✓	✓	✓	✓	✓
Receipt of Annual Internal Audit Report and associated opinions			✓		
Draft Accounts review (including SIC draft)			✓		
ISA 260 report from External Audit			✓		
Standards for Better Health process and declaration					
Review of losses and special payments	✓		✓	✓	✓
Private discussions with Internal and External Audit	✓				
Self-assessment of committee's effectiveness/ Checklist for auditors effectiveness				✓	
Briefing/Update sessions	As required				
Review of other reports and policies as appropriate e.g. changes to Standing Orders and Standing Financial Instructions, changes to accounting policies	As required				
Produce Annual Audit Committee report		✓			
External Audit interim		✓			
Recommendation Tracking	✓	✓	✓	✓	✓
Review of Governance arrangements	✓	✓	✓	✓	✓

Review of LCFS Annual Report 2012/13			✓		
Approval of Counter Fraud Plan 2012/13- Paul	✓				
Review of Annual LCFS Work Plan - Progress Report	✓		✓	✓	✓
Security	✓		✓	✓	✓