

Trust Board Report

Meeting Date:	28 January 2013
Title:	Summary of Issues Considered by the Audit Committee on 13 th December 2012
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 Surrinder Kalirai, Non-Executive Director and Acting Chair of the Audit Committee
Author: Contact Details:	Mr Surrinder Kalirai Tel 01902 695953 Email @nhs.net
Resource Implications:	None
Public or Private: (with reasons if private)	Public Session
References: (eg from/to other committees)	None
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

1	<p>The Committee held its fourth meeting in this financial year on 13th December.</p> <p>Apart from the usual items on Security, Counter-Fraud Activity, Losses and Compensations, and Recommendation Tracking, the following more significant matters were considered:</p>
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Internal Audit Reports

The Trust's Internal Auditor reported on having completed audit reports since the September meeting to address **specific risks** in the following:

- Data Quality – grade 3 or 4 pressure ulcers
- Business Continuity arrangements
- Clinical Coding Process review
- IG Toolkit (advisory)
- Clinical Audit – consideration of the Healthcare Quality Improvement Partnership's 'Clinical audit – Ten simple rules for NHS Boards' (advisory)

The Committee were assured to find that the summary report regarding Business Continuity Arrangements showed no high or medium risk recommendations requiring management attention. However, the summary reports in respect of Data Quality – Grade 3 or 4 Pressure Ulcers and Clinical Coding Process Review each contained high and medium actions, although neither attracted an outright "red" opinion from the Auditor. The Committee sought clarification around issues raised and noted that actions were being taken to mitigate the risks identified. The advisory report on the Information Governance Toolkit also contained some high and medium actions, and in this case the Committee was assured that strenuous effort was being made to ensure that there was a robust structure to support and drive the information governance agenda in the Trust. To that end, the ICO had been invited into the organisation to undertake an assessment of systems and procedures and to offer advice on necessary changes.

The Internal Auditor also reported on having completed **core assurance** audit reports in respect of:

- CQC – Gathering, recording and quality of evidence
- Programme Management Office: Cost Improvement Plans
- General Ledger
- Creditors
- Payroll
- Cash Receipting and Banking – New Cross General office
- Cash Receipting and Banking – West Park General office

Some of these reports flagged up medium actions but the Committee were assured after discussion and challenge that management have agreed to take actions to improve controls in order better to manage the risks.

The Committee requested the Internal Auditor to undertake a compliance and effectiveness review around the systems and processes implemented to minimise the risks of occurrence of Never Events, on the basis that there has elapsed a sufficient period of time for the use of the WHO checklist to bed in.

External Audit Plan 2012/13

The Committee received the Audit Plan for 2012/13 prepared by PricewaterhouseCoopers. The plan includes an analysis of key risks, the Auditor's audit strategy, audit and reporting timetable, and other matters. This year the Committee agreed to increase the threshold for reporting unadjusted misstatements to £100,000 (£50,000 in 2011/12). The Auditor's fees were also approved.

Bribery Act 2010

It is an offence under the Bribery Act 2010, which came into effect on 1 March 2011, for an employee to request, agree to receive or receive any financial or other advantage as an inducement to or reward for improper behaviour by them or anyone else. The Act also created a new corporate offence arising when commercial organisations fail to prevent persons associated with them from bribing another person on their behalf. To be able to defend any cases under the Act, an organisation must have put in place “adequate procedures” to prevent persons associated with it from bribing in any capacity. Although there is reference to the Bribery Act in the Corporate Governance Policy (GP01), a wider ranging and discrete policy is required, and therefore your Committee expect to receive a draft Bribery Act Policy at their February meeting, which once approved will be entered into the Trust’s processes.