

CHAIRMAN'S SUMMARY REPORT

This summary sheet is for completion by the Chair of any committee/group to accompany the minutes required by a trust level committee.

Name of Committee/Group:	Audit Committee	
Report From:	Chair of Audit Committee – Mr K Bryan	
Meeting Date:	8 th September 2011	
Action Required by receiving committee/group:	<input type="checkbox"/> For Information <input type="checkbox"/> Decision <input type="checkbox"/> Other	
Aims of Committee: Bullet point aims of the reporting committee (from Terms of Reference)	<ul style="list-style-type: none"> • Internal Control • Internal Audit • External Audit • Financial Reporting 	
Drivers: Are there any links with Care Quality Commission/Health & Safety/NHSLA/Trust Policy/Patient Experience etc.	<ul style="list-style-type: none"> • Links with External Audit/NHSLA and Monitor when authorised 	
Main Discussion/Action Points: Bullet point the main areas of discussion held at the committee/group meeting which need to be highlighted	<ul style="list-style-type: none"> • Ability for external attacks to the IT network report results were discussed at the meeting. Assurance was gained that the shared service infrastructure was sound. • Internal/External Audit/Counter Fraud gave an update on the Progress Reports. Nothing of any significance was raised for the Board's attention. • Draft Annual Audit Letter 2010/11 was agreed at the meeting and has been sent to the Board for approval. • Charity Annual Report and Accounts 2010/11 were approved at the meeting. <p>The number of outstanding Internal Audit recommendations had increased and requires Executive focus</p>	
Risks Identified: Include Risk Grade (categorisation matrix/Datix number)		

The Royal Wolverhampton Hospitals NHS Trust

Minutes of the Audit Committee

Date Thursday, 8 September 2011
Venue Conference Room, Hollybush House
Time 9.30 am

Present:

Name	Role
Keith Bryan (Chair)	Non-Executive Director
Jeremy Vanes	Non-Executive Director

In Attendance:

Name	Role
Kevin Stringer	Director of Finance & Information
Sandra Ness	Deputy Finance Director
Mark Jones	PricewaterhouseCoopers
Alison Buick	RSM Tenon
Glen Palethorpe	RSM Tenon
Paul Westwood	Coventry & Warwickshire Audit Service

Apologies:

Name	Role
Mike Gennard	RSM Tenon
Paul Smith	Acting Hospital Security Manager

Item No		Action
1	<u>Apologies for absence</u> As above	
2	<u>Minutes of Previous Meeting dated 7 June 2011</u> The minutes of the meeting held on the 7 June 2011, were agreed as a correct record.	
3	<u>Matters arising from the Minutes</u> The Chairman addressed each action item arising from the minutes of the last meeting. After discussion the committee agreed that all actions had been implemented, noting as followed:-	

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Item No	Action
<p><u>Page 2/3, Security Report</u> S Ness will ask P Smith to give an update on actions from the last committee via email by the end of September.</p> <p><u>Page 4, Internal Audit – RSM Tenon – Progress Report</u> A Buick confirmed action complete and referred to the report at item agenda number 3.1.</p> <p>K Stringer gave an update on Private Patients Income collection referring to agenda item number 12. K Stringer confirmed Dr Odum has been very supportive and it was reported that a new pro active Business Manager was now responsible for the Private Patients team. J Vanes stated that with the changes regarding the Private Patient cap that it was a good time to review Private Patient procedures.</p> <p><u>Page 4, 2009/10 Quality Assurance Programme – Qualitative Assessment of Counter Fraud Arrangements</u> P Westwood had sent out the information to the committee.</p> <p><u>Page 5, Recommendation Tracking</u> K Stringer confirmed that action had been taken.</p> <p><u>Page 6, External Audit – PricewaterhouseCoopers</u> K Stringer confirmed that the problems experienced with the external PFI advisor had been dealt with. S Ness confirmed that the Radiology PFI Model was updated and additional training was provided at no further cost. PWC were currently reviewing the updated model.</p> <p><u>Page 11, Counter Fraud – Coventry & Warwickshire Audit Services</u> P Westwood and K Stringer confirmed actions had been picked up and referred to at later agenda items.</p> <p><u>Page 14, Treasury Management Policy</u> S Ness confirmed she had actioned.</p> <p><u>Page 15, Any Other Business</u> <i>'Property, Plant and Equipment'</i> committee members confirmed that no further action is required. S Ness confirmed that as she understood the old Eye Infirmary property had been made secure. As regards properties being used by the newly acquired 'Community Services', K Stringer made the committee aware of the new DoH guidance "PCT Estate – future ownership of PCT's in England" dated 4 August 2011. This guidance proposed that where the</p>	<p>S Ness</p>

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Item No		Action
	<p>service provider is the majority occupier within the PCT asset, ie, more than 50% occupancy, then the asset/lease should transfer. The committee discussed a number of other points relating to the issues that the Trust was working through with the PCT.</p>	
3.1	<p><u>Report on Consultant Job Planning</u> A Buick confirmed discussions had taken place with V Hall and there is evidence that progress is being made with agreement on the audit tool. A Buick had set up follow up meetings for January and February.</p> <p>In response to J Vanes query, RSM Tenon confirmed that when considering the result of Consultant Job Planning interim audit the Trust was not an outlier.</p> <p>K Stringer asked A Buick if she would review Newtons reports for any links to the work they are undertaking.</p>	A Buick
5	<p><u>Security Report</u> P Smith was not present at the meeting to discuss the actions from the committee on the 7 June 2011. S Ness will speak to P Smith about attendance at the committee and ask him to ensure there is a deputy attending future meetings if unable to attend.</p>	S Ness
6	<p><u>External Penetration Test Report Results</u> The Chairman expressed concerns about the highly technical content and format of the report. K Stringer confirmed he had spoken with C Wanley and he was assured that three of the four issues have been dealt with.</p> <p>K Stringer confirmed that as an IT shared service provider the Trust should share the outcomes of such testing with partners.</p> <p>The Chairman was assured that there were no problems. K Stringer to request C Wanley to write a report/front sheet in a more easily understood format.</p>	K Stringer K Stringer
7	<p><u>Internal Audit – RSM Tenon</u></p> <p>7.1 <u>Internal Audit Charter</u> G Palethorpe presented the Internal Audit Charter to the committee and advised there is nothing new in the report. It was agreed by the committee that it would be useful to put a copy of the Internal Audit Charter in the induction pack for NED's.</p>	

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7.2	<p><u>Internal Audit Progress Paper</u> A Buick highlighted findings from internal audit work detailed at pages 1 and 2 in the report.</p> <p>A Buick noted the key findings from internal audit work with one report finalised being “follow up” report, which demonstrated adequate progress, and two others issued in draft:-</p> <p>Assurances over Board Information – Processes Applied to Information Presented to The Board showing a result of Amber/Green.</p> <p>Assurance Framework: Design and Application which is advisory therefore no formal opinion given.</p> <p>Work in Progress was noted as follows:-</p> <p><u>CQC, Governance and Risk Management</u> RSM Tenon had met with the Head of Legal Services and Governance in August 2011 and have been requested to carry out a CQC review and a risk management review in September/October 2011.</p> <p><u>Consultant Job Planning</u> Already reported in item 3.1.</p> <p><u>Safeguarding Vulnerable Adults</u> This review has been scoped and is scheduled to be undertaken in September 2011. RSM Tenon provided a list of proposed dates to the Finance Department in October and November in relation to our annual Internal Audit work around the Key Financial Systems.</p> <p><u>Performance management and Data Quality</u> RSM Tenon had met with the Director of Planning and Contracting to discuss Performance management and Data Quality Audit Allocations. At this time a date for the work has not yet been agreed.</p> <p><u>Information Governance Toolkit (IGT)</u> RSM Tenon had met with the Medical Director in August 2011 to discuss the scope of the IGT allocation and have been advised that an independent review of the toolkit would be welcomed but further discussions will need to take place with the Information Governance Manager in terms of specific dates/detail of the review.</p>	

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	A Buick confirmed RSM Tenon are in the process of undertaking a follow up review of the outstanding recommendations made by the PCT Internal Audit Team but which now affect the Trust as part of the integration of Community Services.	A Buick
8 8.1	<p><u>External Audit – PricewaterhouseCoopers</u></p> <p><u>Draft Annual Audit Letter 2010/11</u> M Jones confirmed this is still a draft report and needed approval from the committee.</p> <p>M Jones highlighted the main findings within the report:</p> <p>Pages 6 and 7 ‘<i>Audit Scorecard</i>’ and advised the committee that this shows a very positive view of the Trust. M Jones did advise that this was not always the case in other organisations.</p> <p>M Jones drew the committee’s attention to page 9 ‘<i>Annual Report and Summary Financial Statements</i>’ and advised there were no areas of inconsistency to the report. M Jones also referred to ‘<i>Financial Standing/Going Concern</i>’ and advised the Trust is responsible for ensuring that it has arrangements in place to secure its financial standing.</p> <p>Page 13 M Jones confirmed the Quality Account was generally very positive. It was agreed to consider the Quality Account format and content for next year as a matter of urgency with the addition of the Community aspects.</p> <p>The committee confirmed they are all very pleased with the report.</p>	
9 9.1	<p><u>Counter Fraud – Coventry & Warwickshire Audit Services</u> P Westwood highlighted the key aspects included within the report:</p> <p><u>2011/12 Counter Fraud Work Plan – Progress Report</u> P Westwood had met with S Ness on action plan. S Ness to ensure that relevant policies are reviewed to CFS the prior to their adoption.</p>	
9.2	<p><u>Review of the Qualitative Assessment Process – email from NHS Protect</u> P Westwood advised the committee that it had been decided that the Qualitative Assessment process will not take place for the 2011/12 financial year.</p>	

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Item No		Action
9.3	<p><u>Wolverhampton City Primary Care Trust LCFS report regarding pre-recruitment checks</u> P Westwood confirmed this report is for information only.</p>	
9.4	<p><u>Action Plan – Counter Fraud Survey</u> P Westwood confirmed he had met with K Stringer and actions are being taken forward.</p>	
10	<p><u>Internal/External Audit – Joint Working</u> M Jones confirmed there was nothing to note. It was agreed by the committee that this agenda item will be taken off the agenda for future meetings as RSM Tenon and PWC meet regularly and would advise the committee if there were any issues as appropriate.</p>	K Stringer
11	<p><u>Recommendation Tracking</u> K Stringer presented the recommendation tracking report to the committee for their information.</p> <p>S Ness advised the committee she believes there is an admin issue for managers around using this computerised system. A Buick will follow up with the User Group and link back with S Ness to take forward.</p> <p>Notwithstanding this possible process issue, it was clear that there was an increase in the number of outstanding issues beyond the action dates already agreed by RWHT management.</p> <p>K Stringer undertook to pursue this with some vigour.</p>	A Buick K Stringer
12	<p><u>Losses and Compensation Payments</u> S Ness presented the Losses and Compensation Payments report.</p> <p>The content of the report was discussed and noted and recommendations were agreed. The committee agreed the overpayment of salary debt totalling to £5,508.85 to be written off.</p>	S Ness
13	<p><u>Issues of significance arising from Board Assurance Committee</u> J Vanes confirmed there are no issues to report from Board Assurance Committee.</p>	
14	<p><u>Charity Annual Report and Accounts 2010/11</u> The committee confirmed they were happy with the Charity Annual Report and Accounts 2010/11. S Ness to make one small change on pages 11/12 to provide previously known balance sheet title.</p>	
15	<p><u>Charity Representation Letter</u> The Charity Representation Letter was signed off by The Chairman.</p>	

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16	<p><u>Charity ISA 260</u> The committee confirmed they were happy with the Charity ISA 260 and there were no issues.</p>	
17	<p><u>Another Other Business</u> The chairman advised the committee J Sharples had resigned from his post of a NED with immediate effect. The committee thanked J Sharples for all his work whilst on this committee. The Chairman and J Vanes suggested David Sutton would be a good replacement for J Sharples on this committee. The Chairman confirmed he would discuss this with B Picken.</p>	The Chairman
18	<p><u>Date and time of next meeting</u> Thursday, 15th December 2011 at 9 am in Room 4, Wolverhampton Medical Institute, New Cross Hospital.</p>	