

# Summary of issues considered by the Audit Committee on 25 May 2018 4 June 2018

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Agenda Item No: 12.4

## Trust Board Report

<b>Meeting Date:</b>	25 May 2017
<b>Title:</b>	Summary of issues considered by the Audit Committee on 25 May 2018.
<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.
<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: Contact Details:</b>	Mr Roger Dunshea Tel: 01902 695953
<b>Resource Implications:</b>	None
<b>Public or Private: (with reasons if private)</b>	Public Session
<b>References: (e.g. from/to other committees)</b>	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
<b>Appendices/ References/ Background Reading</b>	None
<b>NHS Constitution: (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 2017-18, the external audit ISA 260 report , the Letter of Representation , the draft Annual Report 2017-18 , the Annual Governance Statement 2017-18, and the Quality Account 2017-18. In addition the committee discussed the continued development of the BAF, security, and counter-fraud annual plans and reports for the previous year. 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. The key risk remains the delivery of the CIP. 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 was briefed on proposals to review and refresh the BAF. The aim is to make the process less of an administrative burden and more operationally useful.

- **Accounts 2017-18, ISA 260 report and Letter of Representation .**

The annual accounts and ISA 260 report were discussed. The KPMG report indicated no material concerns and gave positive assurance across all the key areas of the audit. However CIP and financial sustainability require further action. The committee recommended the accounts be approved by the Board at the June meeting. The Letter of Representation was approved.

- **Draft Annual Report 2017-18, Annual Governance Statement (AGS) and Quality Account 2017-18.**

These documents were recommended for approval by the Board. It was noted some aspects of the Quality accounts had a red rating that need follow up action.

- **Internal audit,**

The committee received the final version of the Internal Audit opinion statement for 2017-18 which provided assurance on the main systems of internal control. The internal audit plan 2018-19 has now been approved. The severely delayed audit of the Cannock Chase hospital integration project has had to be rolled back a year to the 2018-19 plan. The committee received reports on capital cash management and waiting lists initiative management. The former system provides good assurance. The latter does not have a policy in place and action is needed to ensure this is resolved as soon as possible. It was noted that the waiting list initiative management policy needs to reflect the Trust policy on conflicts of interest.

- **Counter fraud**

The work plan for 2018-19 was approved. The Counter Fraud Annual Report 2017-18 was noted for the overall assurance provided.

- **Losses and Compensation payments.**

The Committee recommended the paper for Board approval.