Key summary points from the meeting held on Friday 16 December 2016:

1 Extension of Scope to Budgetary Control Audit
Preliminary work has been carried out on the Budgetary Control audit; however, the audit report is to be postponed until the New Year on the basis of an extension to scope – the revised Terms of Reference for this extended review is currently being considered. The Committee discussed this approach and agreed with the auditors that although the controls in finance are good, the operational practice in the Care Groups and wider Trust result in a failure of the controls. The auditors have proposed reviewing practice outside of finance to better understand the position. The Audit Committee supported the extension of scope to this audit.

The Committee discussed in some detail the contract negotiations, the work of the Sustainability Committee and the importance of the Trust delivering its control total in order to be seen as a credible organisation, to be able to access Sustainability & Transformation Funding and potentially loan facilities as well as being able to progress to greater autonomy when the Single Operating Framework is introduced in 2017.

2 External Audit Briefing

2.1 Gender Pay Gap
The briefing advised that subject to approval by Parliament the regulations for mandatory reporting on the gender pay gap will come into force during October 2016. However, employers have around 18 months from commencement to publish the required information for the first time. Employers with 250 or more employees will fall within the scope of the regulations which will require employers to publish their overall mean and median gender pay gaps as they are complementary indicators. The Workforce Committee have been asked to provide assurance that there are systems in place to be able to calculate the gender pay gap in the Trust.

2.2 Exit packages cap
The Treasury has confirmed Public Sector Pay offs are to be capped at £95k. The changes will apply to the majority of the 5m public sector workers. The Treasury noted that the reduction in exit packages across the public sector would result in significant savings but would still offer a comparable and competitive settlement process, similar to that in the public sector.

The Workforce Committee have been asked to provide assurance that the Trust is ready for the changes to exit package calculations.

3 Board Assurance Framework
The Committee discussed the Board Assurance Framework and reviewed the RAG ratings for the strategic risks. The Committee recommended the Board accept the following changes to the BAF summary (see Appendix 1):

**Risk 561** – safe and efficient patient flow - the position is improving and so a RAG of amber/red rather than red is recommended

**Risk 670** – Income & Expenditure position - the risk is red and deteriorating

**Risk 668** – clinical service vision - the risk is red and deteriorating

**Risk 1134** – winter planning – this new risk and the Amber rating was noted.

Name of Chair: Harmesh Darbhanga
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