

## AUDIT COMMITTEE

Key summary points from the meeting held on **Tuesday 30 May 2017**:

### 1. Internal Audit

- (i) **Head of Internal Audit Opinion** Internal Audit concluded their opinion was of Substantial Assurance that the Assurance Framework is sufficient to meet the requirements of the 2016/17 Annual Governance Statement and provide a reasonable assurance that there is an adequate and effective system of internal control to manage the significant risks identified by the Trust. Internal Audit confirmed that as a result of carrying out our 2016/17 Performance Internal Audit reviews, they had not identified any areas of control weakness relating to governance, Risk Management or internal controls that further impact upon the overall HoIA opinion of moderate assurance.
- (ii) **IT Controls Audit** – it was noted that moderate assurance was given with two high priority recommendations relating to access control (Oracle and Windows Active Directory).
- (iii) **Counter Fraud** – The annual plan was agreed which includes a number of proactive exercises, particularly in relation to testing controls for waiting list initiatives and clinical utilisation. The Committee were pleased to note that an 10 minute online training package will be rolled out over the year.

### 2. External Audit

- (i) **Audit results report** External Audit reported that they were issuing an unqualified opinion on the financial statements; and a qualified opinion on Value For Money, due to the Trust's financial challenges. External Audit have issued a referral to the Secretary of State Under Section 30 (1)(a) of the Local Audit and Accountability Act 2014 due to the breach of the Trusts statutory responsibility to achieve a breakeven financial position at 31 March 2017, with the Trust reporting a deficit of £5.6M and a cumulative deficit of £54M
- (ii) **'WannaCry' Ransomware Attack** A briefing note on the recent global ransomware attack was discussed. The Trust was not badly affected by the attack. The Chief Executive stressed that this was due to good management in two key aspects: the Trust had taken a strategic decision to upgrade software from Windows XP and had invested in this; and, on the evening of the attack, took an operational decision to isolate systems, which greatly limited any impact.

### 3. Annual Report, Annual Accounts and Annual Governance Statement

The Committee recommended the Annual Report, Annual Accounts and Annual Governance Statement for approval by Trust Board.

### 4. Managing Conflicts of Interest in the NHS

The Committee noted that new guidance had been issued by NHS England. This will be incorporated into a revised Trust policy. However, the existing Trust policy is compliant with the national guidance and more strictly applied.

**Name of Chair:** Harmesh Darbhanga

**Date report prepared:** 30 May 2017