

AUDIT COMMITTEE

Key summary points from the meeting held on **Friday 15 September 2017**:

1. Internal Audit

- (i) **Internal Audit Plan 2017/18** - The Internal Audit plan for 2017/18 was agreed by the Audit Committee and is attached for Board approval. **ACTION: Board to approve Internal Audit Plan 2017/18**
- (ii) **Completion of 2016/17 Plan** – it was noted that moderate assurance was given to the Information Governance Toolkit Audit with two medium priority recommendations. The Committee was disappointed to note that the Budgetary Control 2016/17 report has not yet been finalised and will be presented to the December meeting.
- (iii) **CIP ToR** – The Terms of Reference for the audit of CIP will be developed with the Finance Director and Chair of Sustainability Committee to include wider aspects relating to quality, and ownership. Clive Deadman invited Deloitte to attend the Sustainability Committee to make an independent judgement on the effectiveness of the meeting.

2. Action Targets

The Committee stressed the importance of setting realistic targets in management responses to audits.

3. Medical Job Planning

The Committee expressed great concern that the Trust appears to be an outlier in terms of not having an electronic job planning system for senior medical staff; and strongly recommended that this is considered as a matter of urgency. The cost of a system is c. £30,000 pa with £12,000 implementation costs.

4. Maternity services

Jo Banks attended to update Audit Committee on progress in Maternity Services. Deloitte commended the Care Group and the Complaints Department for the changes introduced.

5. External Audit

The Committee welcomed KPMG as the Trust's new External Auditors

6. Recommendation tracking

The Committee agreed to extend the deadline for a recommendation from the payment and creditors report. The report recommended that a board approved policy / procedure document is created which stipulates a recommended formal approach to the prioritisation of payments to suppliers, and considers a more data driven alignment of payment timing to the cashflow position of the Trust. The deadline was extended until December to allow a procedure to be developed and approved by November Trust Board.

Name of Chair: Harmesh Darbhanga

Date report prepared: 15 September 2017

2. Internal Audit Plan 2017/18

Core internal audit reviews

We have pleasure in bringing to you the internal audit plan for 2017/18.

We have developed a balanced and risk based flexible internal audit programme which addresses:

- Core assurance internal audit / technology assurance;
- A programme of work to support the Trust's Annual Governance Statement; and
- A range of performance reviews on areas we have identified as being of value.

The internal audit programme is designed to support the Head of Internal Audit Opinion. The basis for this is:

- An assessment of the design and implementation of the underpinning assurance framework and supporting processes; and
- An assessment of the range of individual opinions arising from risk based audits contained within the risk based plans that have been reported during the year.

We will, however, continue to review and refine this plan as new risks requiring audit consideration are identified.

Core internal audit – the key areas of assurance required by the Trust and fundamental to the development of our annual Head of Internal Audit Opinion.

Ref	Review area	Deloitte Risk Rating	Proposed 2017/18 Days	Anticipated Scope
Governance statement: Integrated governance and risk management				
IA17/18CR001	Board Assurance Framework	Medium	10	Key controls over Board Assurance Framework and Risk Management.
Core internal audit: Financial control and management				
IA17/18CR002	CIP	Medium	15	Key controls over the Trust's CIP schemes.
IA17/18CR003	Cash management	Medium		
IA17/18CR004	Income and debtors	Medium	20	Review of key financial controls.
IA17/18CR005	Payments and creditors	Medium		
IA17/18CR006	Budgetary control	High	10	Review of controls around the budgeting process.
Core internal audit: Other reviews				
IA17/18CR007	Payroll	Medium	10	Review of the key controls regarding the payroll processes.
IA17/18CR008	IT controls	High	15	General computer controls.
Contract Management				
	Planning and audit committee attendance		20	Preparation of audit plan, liaison with management and attendance at Audit Committees
Total core audit days			100	

2. Internal Audit Plan 2017/18

Risk based performance reviews

Performance reviews – a programme of reviews that bring together elements of operational, clinical and business risks at the Trust to provide assurance to the Audit Committee in its remit to consider key risks in all aspects of the Trust’s operations. The focus of these reviews is on the areas considered to be of the highest risk. The Trust may consider its other assurance mechanisms and approaches for seeking assurance in the areas not being reviewed as part of this plan.

Ref	Review area	Deloitte Risk Rating	Proposed 2017/18 Days	Summary
IA17/18PR001	Business continuity planning (BCP)	High	22	Review of the Trust’s Business Continuity Planning arrangements
IA17/18PR002	Outpatient appointment process	High	18	Review of the Trust’s Outpatient Appointment Process
IA17/18PR003	Temporary staffing	High	25	Review of the Trust’s temporary staffing processes and policies
IA17/18PR004	Governance arrangements	High	25	Review of the Trust’s governance processes
IA17/18PR004	Operational Plan review	High	*	Review of Trust plans around bed management across scheduled and unscheduled care.
	Follow up	High	10	Follow up on high priority findings from previous audit programmes
Total performance audit days			100*	
Total audit days			200	

* The exact requirements for this review will be determined following discussion with the Trust, with a view to reallocating days to accommodate this review as much as possible.