

## AUDIT COMMITTEE

Key summary points from the meeting held on **Friday 25<sup>th</sup> May 2018**:

### 1. Counter Fraud

The Committee approved the Counter Fraud Work Plan based on risk assessment and meetings with Executive Directors. The Plan (attachment 1) is attached, but will be subject to any proactive work. The Committee supported the continuous monitoring element of the plan, which it was felt provided additional assurance.

### 2. Internal Audits

Four audits were resubmitted with revised management responses and clarification of outstanding / partially implemented recommendations. It was also agreed that the CIP was a key priority and should be undertaken in Q2 with presentation to the Audit Committee on 14<sup>th</sup> September with the relevant Executive Directors in attendance to comment; with subsequent monitoring at Performance Committee. This is an absolute priority for 2018/19. It was noted that the Care Group Governance audit was being finalised. A SOP was agreed between Deloitte and SaTH later in the meeting to prevent this recurring.

### Budgetary Control and Financial Reporting Audit

Audit	Opinion	No of Recommendations	Committee
Budgetary Control and Financial Reporting	Limited	2 high; 5 medium; 1 low	Performance

There was a difference in relation to this report with one recommendation not agreed initially. There was a difference in relation to financial reporting at Care Group Level, which highlighted weaknesses in the Confirm and Challenge process, but this needed to be balanced against the need to focus on more strategic issues. After discussion it was agreed that a trackable quantitative financial analysis at Care Group level accompanies the current summary.

### 3. External Audit

- Noted that the accounts were completed an unqualified opinion will be issued.
- Noted that the financial statements included the Annual Report and Annual Governance Statement
- There were no material adjustments and all the presentational adjustments were implemented. External Audit advised that the accounts and co-operation from the Finance Team had been exemplary, and was much appreciated.
- Will be issuing an 'except for' Value For Money opinion (which looks and processes and arrangements in place). This concludes that there are adequate arrangements in place except for the underlying financial position (17.4m deficit), and A&E performance of the Trust. This will require a Section 30 referral to the Secretary of State as there is a breach of the Trust's statutory duty. This is purely a factual letter setting out the in-year and cumulative position of the Trust. The Auditors also considered the Trust's judgement to be balanced in the areas of Provisions, Accruals, Deferred Income and Debtor's Provisions.

### 4. Year-end reporting

Received and recommended approval to the Board before submission to Parliament@

- Annual Report
- Annual Accounts
- Audit Committee Annual Report

### 5. Security Annual Report

The Committee sincerely thanked Jon Simpson and the Security Team for the continued support and professional approach provided to safeguard staff and visitors to site.

### 6. Board Assurance Framework

The Committee:

- Considered and agreed that the strategic risks have remained the same. Considered that the impact in relation to the I&E risk had probably increased although not sufficiently to change the position.
- Discussed the Trust Risk Register and was pleased to note that almost half the register in April 2017 had been closed or reduced, and removed, although new risks had been added with the residual risks

relating to either workforce shortages or capital requirements. The Operational Plan also focuses on reducing the key strategic risks

**7. Recommendation Tracking**

The Committee was pleased to note that there were no outstanding recommendations. It was agreed to extend the implementation date of two recommendations.

**8. Committee self- assessment**

A collective self-assessment was undertaken of the performance of the Committee; which was much more useful than doing it individually by email. It was based on NHS guidance and it was agreed to circulate to Tier 2 Committee Chairs as a possible template for other committees.

**Name of Chair:** Clive Deadman

**Date report prepared:** 25th May 2018

## 2. Proactive Counter Fraud Work Plan 2018/2019

Key Principle	Notes	2018/2019
<b>Inform and Involve</b>	<ul style="list-style-type: none"> <li>• Presentations and Training</li> <li>• Attendance at Consultant Job Planning Group</li> <li>• Fraud Awareness Newsletters and Trust site stands</li> </ul>	13
<b>Prevent and Detect</b>	<ul style="list-style-type: none"> <li>• Local Proactive Exercises (areas under consideration):               <ul style="list-style-type: none"> <li>• Continuous Controls Monitoring</li> <li>• UK Pharmaceutical Disclosures Review (repeat)</li> <li>• Management / Control of Prescription Pads</li> <li>• Pre-Employment Agency Checking</li> <li>• Agency Staffing</li> <li>• Consultant Job Planning (Follow-up)</li> <li>• E-Rostering Net Hours</li> </ul> </li> <li>• National Fraud Initiative</li> <li>• Implementing NHS Counter Fraud Authority guidance, fraud alerts and preventative instructions</li> </ul>	55
<b>Hold to Account</b>	<ul style="list-style-type: none"> <li>• Initial responses to referrals prior to investigation</li> </ul>	20
<b>Strategic Governance</b>	<ul style="list-style-type: none"> <li>• Audit Committee Attendance</li> <li>• Liaison with Trust Management</li> <li>• 2018/19 Annual Report Preparation</li> <li>• 2019/2020 Annual Plan</li> </ul>	12
<b>Total Days</b>		<b>100</b>