

TRUST BOARD
31th October 2013

TITLE	Minutes of the Audit Committee meeting held on 17th July 2013.
EXECUTIVE SUMMARY	<p>The attached are minutes of the Audit Committee meeting held on 17th July 2013.</p> <p>The main points considered were: -</p> <ul style="list-style-type: none"> • Internal audit progress – two reports had been finalised, both with Limited assurance (Rostering and Patients Property and Monies); and • LCFS Work Plan – reviewed and approved the work plan for 2013/14.
BOARD ASSURANCE (Risk) / IMPLICATIONS	The Board is assured by the scrutiny provided by the Audit Committee on matters of risk.
STAKEHOLDER / PATIENT IMPACT AND VIEWS	Internal and external audit reports and Local Counter Fraud Specialist updates are reviewed at the meetings of the Committee. Recommendations are accepted by the Trust after engagement of the relevant area lead.
EQUALITY AND DIVERSITY ISSUES	None that I am aware of.
LEGAL ISSUES	None that I am aware of.
The Trust Board is asked to:	Note and receive the minutes of the Audit Committee meeting held on 17 th July 2013.
Submitted by:	Terry Price, Non-Executive Director/Audit Committee Chair Paul Doyle, Deputy Director of Finance
Date:	23 rd October 2013
Decision:	For Receiving

TRUST BOARD**Date: 31st October 2013****Title: Minutes of the Audit Committee Meeting held on 17th July 2013**

PRESENT:	Mr. Terry Price Mr. Peter Taylor	Non-Executive Director and Committee Chair Non-Executive Director
IN ATTENDANCE:	Mr. Simon Marshall Mr. Paul Doyle Ms. Dakshita Takodra Mr. Veran Patel Mr. Philip Johnstone Mr. George Roe Mr. Carl Watson Mr. Suki Pooni Ms. Wendy Jefferies	Director of Finance and Information Deputy Director of Finance Parkhill (Internal Audit) Parkhill (Internal Audit) KPMG (External Audit) Head of Corporate Affairs Chantrey Vellacott DFK (LCFS) Chantrey Vellacott DFK (LCFS) Chantrey Vellacott DFK (LCFS)
SECRETARY:	Ms. Miriam Bateson	Head of Financial Services
APOLOGIES:	Mr. Jim Gollan Mr. Andrew Liles	Non-Executive Director Chief Executive

1. Introductions and Apologies for Absence

Apologies are as listed above.

2. Minutes of Previous Meeting

Minutes of the Meeting held on 22nd May 2013

The minutes of the meeting held on 22nd May 2013 were approved.

3. Matters Arising – Actions List

The Committee reviewed the Actions List and noted that one item was now complete and three items were on the agenda. Of the remaining two, updates were given as follows:

- Item 4.1 (Blue Spier)
Dakshita Takodra explained that there was no update from Victoria Griffiths in relation to this item and offered to obtain one and circulate it outside of the meeting. However, the Director of Finance and Information gave the Committee a verbal update of the progress to date and it was agreed that the Action Item be carried forward to the October 2013 Committee meeting where a full closure report would be expected.
- Item 5.3 Accounting Treatment of Managed Equipment Service
The Deputy Director of Finance updated the Committee on

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discussions with KPMG resulting in agreement that the service be treated as a finance lease. The Director of Finance and Information confirmed that the existing Trust owned assets which are part of the scheme, and had been transferred for the sum of £1, would remain on the Trust's books.

4. Internal Audit

4.1 Internal Audit Report - Progress Report

Dakshita Takodra presented the progress report from Parkhill which included the following:

(i) Internal audit plan status report – Final reports have been issued for the two audits detailed in (ii) below. The fieldwork is now complete on the Estates audit and planning has started for three other audits.

(ii) Summaries of final reports issued for the following completed audits:

a) Rostering

This report concluded that there was limited assurance in this area. In total seven recommendations had been made of which three were high level and four were medium level.

Terry Price asked whether the dates in the action plan were achievable and the Director of Finance and Information confirmed that they were realistic. The Deputy Director of Finance agreed to ensure that this report was circulated to the Workforce Committee.

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b) Patient Property and Monies

This report concluded that there was limited assurance in this area. In total eleven recommendations had been made of which five were high level, four were medium level and two were low level.

Terry Price asked why there were no implementation dates on the Action Plan and Dakshita Takodra explained that this was because the report had been turned around quite quickly. It was agreed that Dakshita Takodra would update the action plan and circulate to Committee members outside of the meeting. It was also agreed that the Director of Finance and Information would provide a steer to those responsible for implementation,

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(iii) A database of progress with implementing internal audit recommendations - of the 23 recommendations outstanding from prior years 1 has now been evidenced and the latest position of the remaining 22 was:

- 3 implemented;
- 2 work in progress; and
- 17 not yet due.

- the latest position of the 49 recommendations in relation to 2012/13 audits was:

- 41 implemented (of which 38 evidenced so far)
- 1 work in progress; and
- 7 not yet due.

The Committee noted the Internal Audit Progress report.

4.2 Draft Internal Audit Charter

Dakshita Takodra presented the amended draft Internal Audit Charter following comments received at the March 2013 Committee meeting. No further comments were made and it was agreed that the final version could now be issued.

The Committee noted the report.

5. Local Counter Fraud Specialist (LCFS)

5.1 LCFS Update Report

Carl Watson presented the update report on progress with counter fraud matters which included the following:

- (i) an update on proactive work; and
- (ii) a summary of three recent referrals.

Carl Watson explained that the Counter Fraud Team providing services to the Trust was changing and that the new Lead LCFS for the Trust from now on would be Wendy Jefferies. Carl Watson thanked the Committee for their support over the years and, in return, the Committee thanked him for his contribution.

The Committee noted the report and asked for an update with progress at the January 2014 meeting.

5.2 LCFS Proposal and Work Plan 2013/14

Wendy Jefferies presented the LCFS Proposal and Work Plan for 2013/14 which had been developed in discussion with the Director of Finance and Information and includes support for the National Fraud Initiative (NFI) exercise and also a review of procurement and tendering arrangements.

The Committee noted the report.

5.3 Follow up of LCFS Recommendations

The Deputy Director of Finance presented a report of progress against LCFS recommendations and confirmed that the three partially implemented recommendations would be complete by the end of August.

The Committee noted the report.

6. External Audit

6.1 External Audit Report – Progress Report

Philip Johnstone presented KPMG's External Audit Progress Report which updated the Committee with work performed since the May 2013 Audit Committee meeting, which included the issue of clean opinions for the financial statements, use of resources and Quality Account. The report also detailed the work planned for the following period which included the audit of

the Trust's Charitable Funds. The report concluded with a number of technical updates including one in relation to the NHS Leadership Academy's leadership development programmes. The Director of Finance and Information confirmed that the Director of Workforce Transformation would be discussing these with the Chief Nurse and Deputy Chief Executive.

The Committee noted the report.

6.2 Follow up of External Audit Recommendations

The Deputy Director of Finance presented a report of progress against External Audit recommendations which showed that four of the five outstanding recommendations were not yet due, with the remaining one partially implemented.

The Committee noted the report.

7. Audit Commission – Payment by Results Data Assurance Framework Follow-Up of Recommendations

The Deputy Director of Finance presented a report of progress against the Audit Commission's Payment by Results Data Assurance Framework audit recommendations which continued to show the one remaining recommendation as partially implemented. The Director of Finance and Information informed the Committee that this was part of a wider coding issue which was currently being worked on and in view of the timescales involved the Committee agreed that no update would be required in October, instead the next update should be at the January 2014 meeting.

The Committee noted the report.

8. Integrated Governance

8.1 Corporate Risk Register

The Head of Corporate Affairs updated the Committee on discussions which had taken place at the IGAC meeting the day before (16th July) where the following had been approved:

- The changing of the name of the risk register to the Trust Risk Register (TRR);
- The rating of risks within the Register has been reviewed with an increase in the rating of seven risks to above 15, and these seven risks comprise the new TRR at July 2013;
- Development of a risk protocol and standardised registers to be used by register owners across the Trust;
- Introduction of corporate departmental risk registers;
- Setting of a risk appetite by the Trust Board; and
- Guidance to the clinical Divisions on governance and assurances mechanism.

The Committee noted the update.

8.2 Minutes of IGAC meetings held on 19th March 2013, 11th April 2013 and 16th May 2013

The Committee noted the minutes of the IGAC meetings held on 19th March 2013, 11th April 2013 and 16th May 2013.

8.3 Items for Information/Recommendations to IGAC and/or Trust Board

There were no items noted for information or recommendation to either IGAC or the Trust Board.

9. Item for Information / Noting

9.1 Schedule of Business 2013/14

Veran Patel asked whether the Security Management Specialist Annual Report should be on the Audit Committee's Schedule of Business in line with other Trusts and the Deputy Director of Finance agreed to speak to the Associate Director of Estates and Facilities about this. The Committee provisionally agreed to add this to the Schedule of Business for October.

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The Committee noted the Schedule of Business 2013/14.

9.2 Chairman and Chief Executive Expenses

The Committee noted the report covering quarter 4 2012/13 and quarter 1 2013/14.

10. Any Other Business

Terry Price informed the Committee that it had been agreed that Sue Ells, Non-Executive Director, would be providing the Trust with three days of consultancy work to plan and facilitate the next clinical workshop and that she would be reimbursed for this outside her Non-Executive duties at an agreed commercial rate. A revised declaration of interest form has been completed accordingly.

The Director of Finance and Information agreed to clarify the tax treatment of this arrangement with the Workforce team.

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11. Date and Time of Next Meeting

Wednesday 23rd October 2013, at 11.00am in Room 2 Chertsey House, St. Peter's Hospital.