Ashford and St. Peter's Hospitals NHS
NHS Foundation Trust

TRUST BOARD
26th May 2011

TITLE	**2011/12 Internal Audit Plan**
EXECUTIVE SUMMARY	The Trust's internal audit service is provided by Chantrey Vellacott, with ASPH contracting 185 days of internal audit resource per annum. The annual plan is being brought to the Trust Board for final sign off. Following discussions amongst the Executive Directors we are targeting the 62 days allocated to operational risk review at the following areas: • Consultant job planning • Agency medical staff • Performance management • Estates • Stock control Internal audit will also review some aspects of IT and treasury management.
BOARD ASSURANCE (Risk) / IMPLICATIONS	A draft Internal Audit plan was reviewed at April's Audit Committee. Internal Audit is an important source of assurance to the Board (via the Audit Committee) and generally we seek to deploy internal audit beyond the traditional financial remit.
STAKEHOLDER / PATIENT IMPACT AND VIEWS	None identified
EQUALITY AND DIVERSITY ISSUES	None identified
LEGAL ISSUES	None identified
The Trust Board is asked to:	Approve the 2011/12 Internal Audit Plan
Submitted by:	John Headley, Director of Finance and Information
Date:	19th May 2011
Decision:	For Approval

Ashford and St. Peter's Hospitals NHS
NHS Foundation Trust

Chantrey Vellacott DFK

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ASHFORD AND ST PETER'S HOSPITALS NHS FOUNDATION TRUST

FINAL INTERNAL AUDIT PLAN FOR 2011- 2012
(SUBJECT TO CONFIRMATION BY THE AUDIT COMMITTEE)

CHANTREY VELLACOTT DFK
16 MAY 2011

AREA OF ACTIVITY	2011/12 DAYS
GOVERNANCE AND ASSURANCE ACTIVITY	30
OPERATIONAL RISK REVIEWS	62
IT / INFORMATICS AUDITS	20
CORE FINANCIAL AUDITS	36
CYCLICAL REVIEWS	7
OTHER ACTIVITIES (FOLLOW UP/CONTINGENCY/MANAGEMENT)	30
TOTALS – ALL ACTIVITIES	**185**

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AUDIT AREA	FOCUS/RATIONALE	DAYS FOR 2011/12	KEY CONTACTS	INDICATIVE SCHEDULING
GOVERNANCE & ASSURANCE ACTIVITY				
ANNUAL HEAD OF INTERNAL AUDIT OPINION, ANNUAL GOVERNANCE STATEMENT, THE BOARD ASSURANCE FRAMEWORK, RISK REGISTER REVIEW, RISK MANAGAMENT ARRANGEMENTS, CQC, AND QRP	Annual verification exercise on governance arrangements, and a review of the internal control framework leading to the production of the Head of Internal Audit Opinion. Fitness of the Board Assurance Framework and risk registers to support the Annual Governance Statement will also be undertaken. This is undertaken during the year and at year end through our proactive observations at the various governance fora we attend at the Trust during the year.	15	ANDREW LILES / SUZANNE RANKIN / JOHN HEADLEY	THROUGHOUT AND AT QUARTER 4
IG TOOLKIT SELF ASSESSMENT EXERCISE	The purpose of this review will be to evaluate the Trust's assessment for its compliance with the IG Toolkit submission (subject to any new guidance issued by the DH scheduled for June/July 2011) The objectives of the audit will centre around how prepared the Trust has been in completing the submission the annual return for 2011/12. We will seek to gain assurance that the Trust has recorded IG scores that can be supported with appropriate and relevant evidence. Finally we will ensure that the Trust's corporate policies and procedures including those relating to external contracts are compliant with IG data security management requirements.	15	JOHN HEADLEY / DONNA JARRETT	QUARTERS 3 & 4

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OPERATIONAL RISK REVIEWS				
CONSULTANT JOB PLANNING	This review will centre on the management of Consultant Job Plans to ensure that the Trust is achieving a maximum return in terms of utilisation and cost efficiencies in an area of high dependency, sensitivity and complexity. We will seek to review the levels of accountability and ownership as well as reviewing the authorisation mechanisms in place.	15	VALERIE BARTLETT	QUARTER 1
REVIEW OF AGENCY MEDICAL STAFFING	This audit will also require us to review the control framework around the authorisation and employment of medical locums and the degree of integration and transparency the controls this system has with consultant job planning.	10	RAJ BHAMBER	QUARTER 1
PERFORMANCE MANAGEMENT	This work will build upon previous divisional management reviews completed by KPMG (2 years ago) and will be mindful of the pressure to meet a CIP target of 6% at a time when the first £2m of emergency activity will need to be absorbed by the Trust in 2011/12. The review will focus on the performance of 2-3 key divisions at the Trust. The specific review areas are yet to be agreed.	12	VALERIE BARTLETT	QUARTER 2

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ESTATE MANAGEMENT AND DEVELOPMENT	Using the estates department risk register as its base the audit will focus on a number of the potential high risk reputational risk exposure areas for the Trust e.g. asbestos removal, water purity checks (legionella), management of capital programme, provision and delivery of patient food and management of security and car parks. The actual areas to be reviewed have yet to be agreed with management.	10	VALERIE BARTLETT	QUARTER 4
STOCK CONTROL ARRANGEMENTS ACROSS PHARMACY / EME AND THEATRES	This audit will seek to provide assurance that robust stock control measures are in place with strong levels of ownership and accountability drawn up to ensure access to stock is restricted to authorised personal. We will also check the regularity, completeness, accuracy and reporting of stock takes and provide an opinion on the adequacy of current stock levels in relation to the Trust's 24hr call off/emergency orders supplier contracts. We have agreed that this audit will be a joint IA / LCFS review with a further 5 (LCFS) days added to the budget. This degree of expertise will therefore enable us to conduct a full assurance audit and a proactive fraud assessment for this area which has high risk, high cost and potentially a high theft/fraud risk exposure.	15	JOHN HEADLEY / PAUL DOYLE	QUARTER 3

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IT / INFORMATICS AUDIT REVIEWS				
STRATEGIC IG GOVERNANCE REVIEW OF THE KEY INTERNAL AND EXTERNAL IT SYSTEMS EXTERNAL TO THE TRUSTS IG DEPARTMENT	As part of our work on the IG toolkit in 2010/11 and in consultation with Trust Officers we have identified a number of key IT systems supplied within and external to the trust where the IG control architecture may present a number of control and risk issues. The purpose of this audit will be to consider 2 external (Pathology and PACS) and one internal system (Telecoms) and to consider the management controls around these systems from an IG control perspective	5		QUARTER 2
NETWORK INFRASTRUCTURE MATURITY MODEL (NIMM)	The Trust is required to complete a NIMM self assessment to ensure long term viability and help to identify areas where there are gaps in infrastructure capabilities. We propose to assist the IT Team in undertaking this self assessment, providing advice, support and benchmarking with other similar sized Trusts.	5	JOHN HEADLEY / DONNA JARRETT	QUARTER 3
ACCESS AND AUTHENTICATION	Review effectiveness of policies and procedures for enable access to the Trust's network and to determine if the logical solutions in place provide significant assurance to prevent unauthorised access.	10		QUARTER 4

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CORE FINANCIAL AUDITS				
THE MAIN ACCOUNTING SYSTEM	This will focus on the systems of control for the nominal ledger with respect to creditors, debtors and the financial ledger. The purpose of the creditors audit will be to gain assurance that all transactions are authorised and processed accurately and that controls are in place to ensure that the system is operating effectively. The purpose of the debtors review will be to provide assurance that adequate controls exist that ensures timely, accurate, reliable and sufficient information is available to managers to facilitate effective debt monitoring and management control. Finally the audit on the financial ledger will review whether it is complete, accurate and valid and so is an adequate record for the extraction of information reports on the Trust's financial position, including the annual financial statements	18	JOHN HEADLEY / PAUL DOYLE / MARIA JONES / JEAN BREWSTER	QUARTER 3

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PAYROLL AND THIRD PARTY ASSURANCE	The Trust is a major provider of payroll services The review will cover the systems and controls for the submission, authorisation, checking and processing of payroll including expenses. The testing will include samples from all clients serviced by the payroll bureau at a cost of 3 days per Trust. It is envisaged that as part of this review we will also use the data mining tool 'IDEA' to maximise both coverage and depth of testing.	18	RAJ BHAMBER / MARGARET YOUNG	QUARTER 3/4

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CYCLICAL REVIEWS				
MANAGEMENT OF TREASURY AND INVESTMENT INCOME SYSTEMS	The purpose of this review it to provide assurance that the Trust manages its income management function in a manner that maximises returns, minimises risk and safeguards the Trust's assets. We will provide assurance; • that commercial bank and Paymaster General's accounts have been established in accordance with SFIs and are operated in accordance with properly compiled bank mandates; • that transactions are recorded promptly and accounted for completely and accurately; • that banking arrangements are both adequate and secure; • that appropriate cash flow projections are developed and reviewed; • that all suitable investment opportunities are identified, evaluated and managed; • that Interest rates are appropriately managed and monitored to ensure rates are optimised, and • that adequate management information is generated in respect of Treasury Management.	7	JOHN HEADLEY / PAUL DOYLE	QUARTER 2

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OTHER ACTIVITIES				
RECOMMENDATION FOLLOW-UP	To provide Internal Representative to Trust led follow up meetings held quarterly and provide regular updates to Audit Committee.	5	ONGOING	
CONTINGENCY / DEPARTMENTAL EFFICIENCY REVIEWS	We would emphasise that these days **will not be charged for** unless they are used in the delivery of internal products and services agreed by the Trust.	5	TBC	TO BE USED ON A 'CALL-OFF BASIS'
PLAN MANAGEMENT / ATTENDENCE AT TRUST COMMITTEES / ADVICE AND SUPPORT	Including attendance at Audit Committee, Integrated Governance Assurance Committee, Health Informatics Group and Safety and Risk meetings as well as regular monthly meetings with the Director of Finance and other staff.	20	ONGOING	
TOTAL		**185**		

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