

TRUST BOARD
31st May 2018

AGENDA ITEM	17.3	
TITLE OF PAPER	Audit Committee Minutes	
Confidential		
Suitable for public access	√	
PLEASE DETAIL BELOW THE OTHER SUB-COMMITTEE(S), MEETINGS THIS PAPER HAS BEEN VIEWED		
These minutes were reviewed by the Audit Committee at its meeting held on 23 rd May 2018.		
STRATEGIC OBJECTIVE(S):		
Best outcomes	√	
Excellent experience	√	
Skilled & motivated teams	√	
Top productivity	√	
EXECUTIVE SUMMARY	<p>The minutes of the Audit Committee meeting held on 22nd March 2018 are attached. The key points to note are:-</p> <ul style="list-style-type: none"> • Internal audit – reviewed the progress report from BDO and in particular the results of their audit on Incidents Management; • Reviewed and approved the 2018/19 work plans for the Local Counter Fraud Service (BDO); • Noted KPMG's interim audit report – this contained four recommendations following quality report work; • In respect of the Trust's Annual Accounts for 2017/18, approved accounting policies and the impairment review; and • Approved proposed changes to the Scheme of Delegation and Standing Financial Instructions – these are now presented to Trust Board for final approval. 	
RECOMMENDATION	Receive and note the paper	
SPECIFIC ISSUES CHECKLIST:		
Quality and safety		
Patient impact		

Employee	
Other stakeholder	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 & diversity	
Finance	
Legal	
Link to relevant Board Assurance Framework Principle Risk	Audit plans aligned to key organisational risks.
AUTHOR NAME/ROLE	Paul Doyle, Deputy Director of Finance Please approach for any further information required.
PRESENTED BY DIRECTOR NAME/ROLE	Keith Malcouronne, Non-Executive Director and Committee Chair
DATE	23 rd May 2018
TRUST BOARD ACTION	Receive

TRUST BOARD
31st May 2018

AUDIT COMMITTEE MEETING
MINUTES
22ND MARCH 2018

PRESENT:	Mr. Keith Malcouronne Mr. Meyrick Vevers	Non-Executive Director and Committee Chair Non-Executive Director
IN ATTENDANCE:	Mr. Simon Marshall Mr. Paul Doyle Mr. Greg Rubins Mr. Mark Ferasol Mr. James Shortall Mr. Neil Hewitson Ms. Charlotte Goodrich	Director of Finance and Information Deputy Director of Finance BDO (Internal Audit) BDO (Internal Audit) BDO (LCFS) KPMG (External Audit) KPMG (External Audit)
SECRETARY:	Ms. Miriam Bateson	Head of Financial Services

1. Introductions and Apologies for Absence

Keith Malcouronne welcomed everyone to the meeting and noted that there were no apologies for absence.

2. Minutes of Previous Meeting

Minutes of the Meeting held on 18th January 2018

The minutes of the meeting held on 18th January 2018 were approved.

3. Matters Arising

3.1 Actions List

The Committee noted the updates for the three items on the actions list. With regard to item 1, Keith Malcouronne asked for an update on the outcome of Runnymede Borough Council's Planning Committee meeting on 7th March 2018 in relation to the planning permission sought for the West Site. The Director of Finance and Information informed the Committee that permission had been granted subject to various caveats including removal of the block objection by Highways England.

4. Internal Audit

4.1 Progress Report

Greg Rubins presented the progress report from BDO which included the following:

- (i) progress against the 2017/18 Annual Plan;
- (ii) Key Performance Indicators; and
- (iii) Sector updates.

The progress report showed that three audits have been completed and were commented upon within the report, with a further four audits underway or about to commence. Two of the completed audits, Agency Medical Expenditure and Data Quality and Performance Management, had received moderate assurance and Mark Ferasol gave an overview of the areas of good practice and recommendations for improvement for both. The third audit, Incidents Management, had received limited assurance about the effectiveness of controls and was being presented as a separate agenda item (4.2).

The Committee noted the Internal Audit Progress report.

4.2 Internal Audit Report – Incidents Management

Mark Ferasol presented the internal audit report on Incidents Management which had been given a moderate assurance for design and a limited assurance for operational effectiveness. This related to weak controls over the management of incidents and the inconsistent application of the policies and procedures. One high level and six medium level recommendations had been made.

The Committee noted the report.

4.3 Internal Audit Recommendations Follow-Up Report

Mark Ferasol presented an update of progress with implementing internal audit recommendations. Of the 8 remaining recommendations raised by previous auditors, TIAA, 2 have been completed. The remaining 6 relating to the Quality Assurance – VTE audit which were stated in the report as overdue. However since the issue of the paper to the Committee, responses have now been received and the team are working with the VTE Specialist Nurse to agree clearer actions.

The Committee noted the Internal Audit Progress report.

5. Local Counter Fraud Specialist (LCFS)

5.1 Progress Report

James Shortall presented an update report on progress with counter fraud matters highlighting proactive work, ongoing investigation and additional investigation work. Proactive work included a fraud awareness workshop delivered to the Workforce and Payroll teams. In addition the annual Self Review Tool had been drafted and was ready for discussion with the Director of Finance and Information.

The progress report included details of days utilised and the Committee noted that 15 days would be carried forward to investigation work in 2018/19.

The Committee noted the report.

5.2 Briefing Note – GDPR and Fraud Risk

James Shortall presented a briefing note on the General Data Protection Regulation (GDPR) which comes into force in May and its potential impact on the counter-fraud environment.

The Committee noted the briefing.

5.3 LCFS Draft Work Plan 2018/19

James Shortall presented the LCFS Draft Work Plan 2018/19 which included 50 preventative and 25 reactive (investigation) days of counter fraud provision – this included the carry forward element from 2017/18.

The Committee approved the work plan.

6. External Audit

6.1 KPMG – Interim Audit Report

Charlotte Goodrich presented KPMG's Interim Audit Report which updated the Committee on findings from the interim audit which took place in February 2018, follow up of prior year recommendations and findings from 2017/18 quality report work.

The Committee approved the report.

7. Annual Report and Accounts and Quality Account 2017/18

7.1 Timetable and Process for Production - Update

The Deputy Director of Finance presented an update on the timetable for the production of the Annual Report and Accounts for 2017/18. This covered the work carried out since the last Audit Committee meeting as well as the update to the FT ARM published by NHSI after the January 2018 Committee meeting.

The Committee noted the update.

7.2 Accounting Policies

The Deputy Director of Finance presented a paper advising the Committee on changes to accounting policies within the Annual Accounts for 2017/18 following the issue of the Department of Health's 2017/18 Group Accounting Manual (GAM).

The Director of Finance and Information asked whereabouts gender pay gap disclosures should be included and the Deputy Director of Finance agreed to check.

The Committee noted the paper.

7.3 Impairment Review

The Deputy Director of Finance presented a report setting out the results of the impairment review of non-current assets for 2017/18. No impairments are proposed for Property, Plant and Equipment, Intangibles or the Trust's investment in Beautiful Information Limited.

The Committee noted the report.

8. Bad Debt Write Off 2017/18

The Deputy Director of Finance presented a proposal to write off the sum of £7,916.87. The report also included an update on overseas visitor debt and salary overpayment debt with £55,370.97 of the latter proposed to be recorded as a loss.

The Committee approved the write off of £7,916.87 of bad debts and the salary overpayments loss.

9. Review of Scheme of Delegation and Standing Financial Instructions

The Deputy Director of Finance presented a Review of Scheme of Delegation (SoD) and Standing Financial Instructions (SFI's) prepared on the basis of having a separate SoD and SFI's for the Ashford and St. Peter's Hospitals Charitable Fund. However, at the Charitable Funds Committee meeting held on 21st March 2018 it was agreed that only a separate Scheme of Delegation would be required for the Charity and that the Standing Financial Instructions would continue to be shared by the Trust and the Charity.

Subject to reinstatement of references to Charity items in the Standing Financial Instructions, the Committee approved the review. These would now be presented to the May Trust Board for approval.

PD

10. Integrated Governance

10.1 Risk Register Review

The Deputy Director of Finance presented a report on the Trust Risk Register as at 8th March 2018. The report identified five risks on the register of which one was classified with a risk level of Catastrophic, with the rest Major.

The Committee discussed the Audit Committee's responsibility in relation to the Risk Register and agreed that this needed clearer definition. It was noted that this would form part of the review of Committees under the Trust's governance framework.

The Committee noted the report.

10.2 Q&PC Feedback

None.

10.3 Items for Information/Recommendation to Q&PC and/or Trust Board

None.

11. Items for Information / Noting

11.1 Schedule of Business 2017/18

The Committee noted the Schedule of Business 2017/18.

12. Any Other Business

There were no items of any other business.

13. Date and Time of Next Meeting

Wednesday 23rd May 2018, at 11.00am in Room 2 Chertsey House, St. Peter's Hospital.