



Ashford and St. Peter's Hospitals
NHS Foundation Trust

TRUST BOARD
31st October 2019

AGENDA ITEM NUMBER	17.1
TITLE OF PAPER	Audit & Risk Committee Minutes
Confidential	
Suitable for public access	√
PLEASE DETAIL BELOW THE OTHER SUB-COMMITTEE(S), MEETINGS THIS PAPER HAS BEEN VIEWED	
The minutes of the meeting held on 23 rd May 2019 were reviewed by the Audit & Risk Committee at its meeting held on 24 th October 2019.	
STRATEGIC OBJECTIVE(S):	
Quality of Care	√
People	√
Modern Healthcare	√
Digital	√
Collaborative	√
EXECUTIVE SUMMARY	<p>The approved minutes of the Audit & Risk Committee meeting held on 23rd May 2019 are attached.</p> <p>Most of the items contained within these minutes have already been reviewed at Trust Board meetings in May and subsequently.</p> <p>As agreed earlier in the year, the Committee did not meet in July.</p>
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	Keith Malcouronne, Non-Executive Director and Committee Chair
DATE	24 October 2019
BOARD ACTION	Receive



Ashford and St. Peter's Hospitals
NHS Foundation Trust

TRUST BOARD
31st October 2019

AUDIT & RISK COMMITTEE MEETING
MINUTES
23RD MAY 2019

PRESENT: Mr. Keith Malcouronne Non-Executive Director and Committee Chair
Mr. Meyrick Vevers Non-Executive Director
Ms. Marcine Waterman Non-Executive Director

IN ATTENDANCE: Mr. Simon Marshall Director of Finance and Information
Ms. Suzanne Rankin Chief Executive (agenda item 7.1 onwards)
Mr. Paul Doyle Deputy Director of Finance
Ms Sal Maughan Associate Director of Corporate Affairs and Governance
Mr. Greg Rubins BDO (Internal Audit)
Ms. Claire-Louise Hutchinson BDO (Internal Audit)
Mr. James Shortall BDO (LCFS)
Ms. Lucy Nutley Mazars

SECRETARY: Ms. Miriam Bateson Head of Financial Services

APOLOGIES:

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 28th January 2019

The minutes of the meeting held on 28th January 2019 were approved.

3. Matters Arising – Actions List

The Committee noted the updates for the items on the actions list, which were all complete.

4. Internal Audit

4.1 Progress Report

Claire-Louise Hutchinson presented the progress report from BDO which included the following:

- (i) progress against the 2018/19 Annual Plan;

- (ii) a sector update; and
- (iii) Key Performance Indicators.

The progress report showed that four audits had been completed, one of which, Data Security and Protection Toolkit, was a non-assurance report. Two of the audits, Lost to Follow Up and Strategic Partnerships, had received either substantial or moderate assurance in respect of design and effectiveness. The fourth audit, Consultants Job Planning, received Moderate assurance in relation to design and limited assurance in relation to effectiveness and was presented separately at agenda item 4.2.

With regard to the Data Security and Protection Toolkit audit, the Director of Finance and Information advised the Committee that the recommendation had been addressed.

The Committee noted the Internal Audit Progress report.

4.2 Final Report – Consultants Job Planning

Claire-Louise Hutchinson presented the report on Consultants Job Planning which contained two high, three medium and one low level recommendation.

The Committee discussed the findings in more detail and the Director of Finance and Information noted that the implementation dates of 1st September would be challenging. Greg Rubins confirmed that the recommendations would be followed up by internal audit in the usual way.

The Committee noted the report.

4.3 Internal Audit Recommendations Follow-Up Report

Claire-Louise Hutchinson presented the report. Of the 53 high and medium level recommendations from 2017/18, 52 were considered implemented with one medium recommendation still in progress. Of the 52 marked as implemented, 9 related to Complaints Management where the Trust has developed a separate action plan which will address the recommendations.

Of the 33 recommendations raised in 2018/19, 22 were either high or medium level and 10 of these were due for implementation in 2018/19. Of these 10, 5 were considered implemented and 5 were still in progress.

The Committee noted the report.

4.4 Internal Audit Annual Report and Annual Statement of Assurance

Greg Rubins presented the Internal Audit Annual Report and Annual Statement of Assurance which gave an overall opinion of moderate assurance.

The Committee noted the report.

5. Local Counter Fraud Specialist (LCFS)

5.1 LCFS Annual Report (including Self Review Tool)

James Shortall presented the LCFS Annual Report which included the Self Review Tool required by the NHS Counter Fraud Authority (NHSCFA) for which the overall rating was green.

Marcine Waterman asked about progress with reviewing matches from the NFI 2018 exercise. James Shortall provided a verbal update and agreed to include an written update at the next meeting.

JS

The Committee noted the report.

5.2 LCFS Work Plan 2019/20

James Shortall presented the LCFS Work Plan for 2019/20 which had been informed by the outcome of the annual report and self review tool at agenda item 5.1. It included time to coordinate the Trust's participation in the NHS CFA's national exercise into procurement fraud.

The Committee approved the plan.

6. Annual Report, Accounts and Quality Report 2018/19

Items 6.2, 6.3, 6.4, 6.6 and 6.8 had already been considered at a separate meeting of Committee members held on 20th May 2019 which was also attended by Mazars, the Director of Finance and Information, the Deputy Director of Finance and the Head of Financial Services. Changes arising from these discussions would be incorporated into the final versions of reports.

6.1 Losses & Special Payments 6 months to 31st March 2019

The Deputy Director of Finance and Information presented a summary of Losses and Special Payments made during the six months to 31st March 2019. This totalled £49,802 for the period and included a £20,000 insurance excess in relation to water damaged property.

The Committee approved the payments.

6.2 Report to Those Charged with Governance

The Committee approved the report.

6.3 Annual Accounts - Unadjusted Misstatement

The Committee noted the report.

6.4 Mazars – Draft Audit Completion Report

Lucy Nutley presented the draft audit completion report highlighting the following:

- (i) Key audit matters:
 - Valuation of land and buildings, noting that a valuation as at 31st March 2019 had been carried out and incorporated into the accounts;
 - Revenue recognition; and
 - Expenditure recognition.

No significant findings had arisen from any of these.

- (ii) Significant risks and key areas of management judgement:
 - Management override of controls.

- (iii) Key areas of management judgement:

- Land sale transactions.
- (iv) Summary of misstatements: as set out in agenda item 6.3 there was one unadjusted misstatement of £879k in relation to revised building lives and the date that they have been applied from.
- (v) Value for money conclusion:
- There are no matters to report.

Lucy Nutley thanked the Trust finance team for their cooperation during the audit.

The Committee approved the report.

6.5 Mazars – Draft Quality Report

Lucy Nutley reported that in relation to the Quality Accounts the Trust had achieved a limited assurance opinion.

The Committee approved the report.

6.6 Annual Report (including Financial Review, Remuneration Report, Staff Report and Annual Governance Statement)

The Committee approved the Annual Report.

6.7 Quality Account

The Committee noted the report would be considered at the Quality of Care Committee

6.8 Annual Accounts

The Committee approved the Annual Accounts and recommended them to the Trust Board.

7. Risks and Board Assurance Framework

7.1 Trust Risk Management Plan

The Associate Director of Corporate Affairs and Governance presented the Trust Risk Management Plan. This follows the development and agreement of the Board Assurance Framework and Trust Risk Appetite Statement throughout 2018/19, and represents the next stage of developing the organisation's risk management process. The Plan sets out the key work-streams and milestones.

The Committee noted the report.

7.2 Board Assurance Framework & Corporate Risk Register

The Associate Director of Corporate Affairs and Governance presented the new Board Assurance Framework (BAF) which has been compiled following review and restructure of the Board sub-committee structure in alignment with the new Trust Strategy, during 2018. The key strategic risks to each strategic objective which comprise the BAF were agreed by Trust Board on 28th March 2019 and each Board sub-committee is responsible for the oversight of all strategic risks to the achievement of its Strategic Objectives.

Following approval of the BAF by the Trust Board in March 2019, it is proposed to revert to regular and detailed quarterly review by the Audit & Risk Committee, with the intention of providing assurance to the Board that the risks are being managed appropriately.

The Associate Director of Corporate Affairs and Governance also presented the Corporate Risk Register, noting that the current content and format is undergoing a full review, as part of the Trust wide review of all Divisional risk registers set out in paper 7.1.

The Committee noted the report.

8. Regulatory and Governance

8.1 NHS Foundation Trust Code of Governance

The Deputy Director of Finance presented a paper giving a snapshot of compliance during the year with the Code of Governance which is best practice guidance for Foundation Trusts. As at 16th May 2019 the Trust was compliant with all provisions.

The Committee approved the report.

8.2 Draft Audit Committee Annual Report to the Trust Board

The Deputy Director of Finance presented a draft report summarising the key areas of Audit & Risk Committee activities over the last year in discharging its duties under its approved Terms of Reference. This report is due to be presented to the May 2019 Trust Board meeting.

The Committee approved the report.

9. Any Other Business

9.1 Private discussions with auditors

All non-Committee members left the meeting to enable the Committee members to have private discussions with Mazars and BDO.

10. Date and Time of Next Meeting

The next meeting was scheduled for 18th July 2019 at 2:00pm in Room 3 Chertsey House, St. Peter's Hospital but it was agreed to reschedule this to October 2019. Revised date, time and location details would be circulated in due course.