

Board of Directors (in Public)

Item 6.2.1.1

Audit Committee

Date/s of meetings held since last BoD: 10th April 2018

BAF Key Issues

All assurances received relate to BAF risk 3.2 which is currently assigned a risk score of 12 (amber) due to operational pressures threatening regulatory compliance e.g diagnostic capacity (radiology). New / emerging risks are highlighted for the Board's attention but do not adversely impact on the overall risk score for the principal risk.

BAF Ref – Principal risk	Assurance Received	New / Emerging Risks	Impact on BAF Risk Rating	Actions / Comment
3.2	Draft Annual Governance statement 2017/18	None	None	Noted with Audit Committee members to provide any further comments to the Director of Corporate Affairs.
3.2	Assurance Committee Annual Reports 2017/18	None	None	Reviewed and for recommendation to the Board of Directors.
3.2	Losses and Special Payments Single Supplier Tender Waivers	None	None	Noted.
3.2	Review of Registers of Interests	Whilst there are robust policies and procedures in place, compliance needs continued focus.	None	The Trust had now transitioned onto a new electronic declaration system and adapted its internal policies to meet new guidance issued by NHS England. Audit Committee members confirmed their satisfaction with internal governance arrangements for managing conflicts of interest. It was noted that the registers of Board Director and Governor interests had been reviewed by the respective bodies with no material conflicts identified. Refer also MIAA Col review (below).
3.2	Report on Audit Committee Annual Self-Assessment	None	None	Overall the Audit Committee were operating effectively with one action noted in relation to ensuring effective data quality assurance mechanisms in 2018/19 in light of the

				findings of the Informatics review.
3.2	Compliance with Provider Licence	None	None	Assurance that the Trust has in place robust processes to monitor compliance with the Provider Licence. Committee members confirmed that the checklist for quarterly update continued to be of value in providing assurance / highlighting emerging risks.
3.2	Risk Management KPI's	None	None	No red indicators, 2 ambers. Ongoing Divisional focus needed on timely review and closure of incidents. Audit committee noted the improved picture and stated that the high level summary proved helpful.
3.2	Internal Audit- Mobile Devices Audit	Limited assurance	None	Limited Assurance. IT Programme Manager in attendance to discuss management response. One high and two medium recommendations. A follow up review would be conducted by the internal auditors within the next 6-9 months to confirm the implementation of the agreed management actions.
3.2	Internal Audit – Payroll Review	None	None	Significant assurance.
3.2	Internal Audit – E Rostering Review	None	None	Significant assurance.
3.2	Internal Audit – IG Toolkit Review	None	None	Significant assurance.
3.2	Internal Audit – Assurance Framework Review	None	None	Confirmation that all NHS requirements met.
3.2	Internal Audit – Director of Audit Opinion	None	None	Substantial assurance- conclusion that there was a good system of internal control designed to meet the organisation's objectives and controls were generally being applied consistently. It was noted that for the purpose of the opinion only, significant assurance had been split into two categories; substantial and moderate.
3.2	Conflict of Interest Review	Need for improved compliance with new policy and use of MES declare	None	Five of six facets, including Governance arrangements, were compliant or fully compliant – one area of partial compliance relating to staff following the policy and entering timely declarations onto the register – this will be a focus for Divisions.

3.2	Internal Audit – 3 year strategic plan and annual plan 2018/19	None	None	Prioritised work plan based on risk assessment and ensuring coverage of mandated requirements. Some flexibility to re-prioritise as needed.
3.2	Internal Audit-MIAA Insight Report	None	None	Update on events, Briefing Note Series and Benchmarking
3.2	Anti-Fraud Services Plan 2018/19	None	None	Risk assessment completed and plan based upon potential fraud risks – 2018/19 plan approved.
3.2	Anti-Fraud Annual Report 2017/18	None	None	Of the 23 standards , 18 were rated green, 2 neutral and 3 amber - 2 of the 3 amber risks were within the 'holding to account' domain – there were no fraud investigations in the year to demonstrate compliance with the standard.
3.2	Internal Audit-Key Changes to New Audit Committee Handbook	None	None	<p>HFMA had published a new version of the Audit Committee Handbook. It had been updated to reflect the significant impacts and changing context of the NHS agenda in relation to partnership working at scale, STPs and ACS governance and the Audit Committee's role in reviewing mergers and acquisitions. Additional focus on cyber security and oversight of action plans relating to regulatory compliance were also noted.</p> <p>The Audit Committee reviewed and noted the key changes. The Audit Committee Terms of Reference and business cycle were updated to ensure the changes were reflected.</p>
3.2	External Audit Update report - policy update and emerging issues	None	None	Noted.
3.2	Review of Accounting Policies	None	None	Two changes to note since 2016/17: the introduction of new accounting policies, which would not have a material effect on LHCH and the deconsolidation of the LHCH Charitable Fund. The external auditors confirmed that they were comfortable with the decision to not consolidate the accounts. Audit Committee members accepted the accounting policies presented.