

TRUST BOARD – 27 FEBRUARY 2013

**AUDIT COMMITTEE – 4 FEBRUARY 2013
EXECUTIVE SUMMARY REPORT**

PURPOSE	To present to the Trust Board the report from the Audit Committee meeting of 4 February 2013
PREVIOUSLY CONSIDERED BY	N/A
Objective(s) to which issue relates *	<input checked="" type="checkbox"/> 1. To improve continuously the quality of all aspects of our services <input type="checkbox"/> 2. To consolidate acute services for complex or serious conditions onto a single site <input type="checkbox"/> 3. To work with colleagues in primary care to expand local access to specialist acute services <input type="checkbox"/> 4. To maintain the pre-eminence of Mount Vernon as a tertiary Cancer Centre, and to provide more cancer care locally
Risk Issues (Quality, safety, financial, HR, legal issues, equality issues)	Key assurance committee reporting to the Board
Healthcare/ National Policy (includes CQC/Monitor)	In line with Standing Orders and best practice in corporate governance
CRR/Board Assurance Framework *	<input type="checkbox"/> Corporate Risk Register <input type="checkbox"/> BAF
ACTION REQUIRED *	
For approval <input type="checkbox"/> For decision <input type="checkbox"/> For discussion <input checked="" type="checkbox"/> For information <input type="checkbox"/>	
DIRECTOR:	Chair of Audit Committee
PRESENTED BY:	Chair of Audit Committee
AUTHOR:	Trust Secretary
DATE:	February 2013

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Internal Audit Reviews

The Committee reviewed a progress report from the internal auditors and noted that three final reports had been issued since the last meeting. One of these, on sickness absence, highlighted the fact that the Trust's sickness policy and use of the Bradford score should be reviewed, since instances of sickness absence had been identified that lasted two or three years. The Committee agreed that such instances should be monitored as part of the standard measures reported through the Workforce Report.

The Committee moved on to review the final advisory report from the internal auditors on the governance of the electronic staff record (ESR) project. As discussed at the last Board meeting, this revealed a lack of appropriate governance mechanisms and quality control, and made a number of recommendations to ensure that the project could be delivered successfully. The Committee noted that there was no information available on the total costs of the project to date against budget, and agreed that the most important aspect now was to understand what was needed to make the project a success with the new governance structure in place. This would be monitored through the Finance and Performance Committee (FPC). The review provided an excellent example of the way in which internal audit should be used to give the Audit Committee and the Board advice and assurance on the key projects that were critical to the Trust.

The Committee debated the use of a service assurance framework, proposed by the internal auditors, that could be linked to Divisional performance reviews. The Committee decided that this should be explored further, in the first instance by researching other organisations where it was used.

Internal Audit Plan

The Audit Committee reviewed the first cut of the draft Internal Audit Plan for 2013/14 and agreed that it would wish to put more resource into advisory work on key areas of significance for the Trust. The ESR project had been the first example of this, as already indicated, and service line reporting (SLR) would be another. In general, the Committee was looking for a sharper focus on the areas that generated the highest risk, not all of which were covered in the plan, with a deeper dive in those areas rather than an attempt to cover all areas.

Before coming to any further decisions, the Audit Committee decided to ask the Risk and Quality Committee (RAQC) for its views on the Internal Audit Plan, and any areas that it would like to see covered. The Committee also wanted to meet separately with Internal Audit so that members could provide further views on the planned coverage. The Committee wanted to move towards a risk-based plan which was re-evaluated each year.

Counter Fraud

The Committee reviewed a progress report provided by the Local Counter Fraud Specialist (LCFS) on counter fraud activity within the Trust, and a draft plan of work for 2013/14. It advised that there should be an increased focus on detection activity using data analytics.

Audit Report Log

In reviewing the log of internal and external audit recommendations, which enables the Audit Committee to monitor the implementation of those recommendations, the Committee sought assurance as to whether a similar process existed for the RAQC to track the findings from clinical audit. It was advised that this was still work in progress, but there had been an increased focus on outcomes. The RAQC would shortly be considering a set of assurances from Clinical Audit on which it would report back to the Audit Committee.

External Audit

The Audit Committee received an update from the external auditors on their activities prior to the start of this year's accounts process. The Committee was concerned that the draft year end timetable did not give it sufficient time to review the accounts prior to their approval. It agreed that it will review the key issues arising from the draft accounts at its next meeting.

Raising Concerns at Work (Whistleblowing) Policy

The Audit Committee reviewed a revised version of the Raising Concerns at Work Policy, which had been updated to include reference to the whistleblowing provisions within the NHS Constitution and the implementation of the Speaking Up Charter. The Committee was mindful that further revisions might be required following publication of the Francis Report on the failings at Mid-Staffordshire NHS Foundation Trust.

The Committee decided that the policy should be rewritten to ensure that it was more user friendly and made a number of comments to be taken into account, including the need for a communications plan. It also debated whether whistleblowing cases should be recorded centrally in order to monitor the effectiveness of the policy and asked for some research on other organisations' practices to be undertaken.

Risk Management

While recognising the RAQC's responsibilities in the area of risk management and prioritisation, the Committee raised a concern as to whether there was sufficient discussion on risk at Board level to enable the Board to focus on the areas of highest risk. It decided to refer this issue to the Board for discussion.

**Alison Bexfield, Chair of Audit Committee
(Trust Vice Chairman)**