

### Report from the Audit Committee

<b>Trust Board</b>	<b>Item: 20</b>
<b>Date: 25<sup>th</sup> January 2017</b>	<b>Enclosure: P</b>
<b>Purpose of the Report:</b> To report to the Trust Board on the meeting of the Audit Committee held on 8 <sup>th</sup> December 2016.	
<b>FOR: Information</b> <input checked="" type="checkbox"/> <b>Assurance</b> <input type="checkbox"/> <b>Discussion and input</b> <input type="checkbox"/> <b>Decision/approval</b> <input type="checkbox"/>	
<b>Sponsor (Executive Lead):</b>	Joan Mulcahy, Chair of Audit Committee
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<b>Risk Implications – Link to Assurance Framework or Corporate Risk Register:</b>	
<b>Link to Relevant Corporate Objective:</b>	Strategic Objective 4
<b>Document Previously Considered By:</b>	None
<b>Link to Relevant CQC Domain:</b> <b>Safe</b> <input type="checkbox"/> <b>Effective</b> <input checked="" type="checkbox"/> <b>Caring</b> <input type="checkbox"/> <b>Responsive</b> <input type="checkbox"/> <b>Well Led</b> <input checked="" type="checkbox"/>	
<b>Recommendations &amp; Actions required by the Committee:</b> The Board is asked to note the report.	

## Audit Committee

The Committee met on 8<sup>th</sup> December 2016.

The Committee considered the Counter Fraud Progress Report and noted updates on recent cases which had been considered since the last meeting of the Committee.

The update from Internal Audit was noted. The final Internal Audit Report on Core Financial Systems which included forecasting received a rating of significant assurance with minor improvement opportunities. The actions identified to address matters raised in the review included 2 medium priority and 3 low priority and progress on these would be reported to future meetings. It was noted that progress had been made on financial forecasting which was a relatively new introduction to the Trust.

The final Internal Audit Report on Data Quality which had a rating of partial assurance with improvements required. The actions identified to address the matters raised in the report included 3 medium priority and 3 low priority and progress on these would be reported to future meetings. Stephen Piper, Head of Business Information attended the meeting to provide assurance to the Committee on action taken and future actions to address the matters raised in the meeting. It was noted that the rating reflected sound controls in place, however a more systematic approach was required with evidence recorded to support this.

It was noted that the remaining internal audit reviews for 2016/17 would be presented to the March meeting of the Committee.

The Committee received an update from the External Auditors. The technical report was noted outlining national issues and an update on plans for year end.

The Committee had received delegated authority from the Trust Board to approve the Annual Report and Accounts of the Charitable Trust Fund. The Committee approved the final audit report, annual accounts and report for 2015/16 and noted this would be submitted to the Charity Commission before the deadline in January 2017.

The Committee discussed and considered the proposed changes to the Standing Orders and Standing Financial Instructions which would be presented to the Trust Board in January 2017 for approval.

The Committee received the standing item reports on the Board Assurance Framework, external agency visits, waivers and losses and special payments and received reports from the Quality Assurance, and Finance and Investment Committees. The Committee considered the Corporate Risk Register which now incorporated all risks from across the Trust which were scored over 12 in addition to those considered as corporate. The Committee asked that more detail be provided on the nature of the high level risks.

The Committee received an update from the Head of Procurement on the procurement transformation plan. The Procurement Transformation Plan had been developed in response to the recommendations from Lord Carter's report into operational productivity performance in English acute hospitals: unwarranted variation, which was published in February 2016 and highlighted several areas where procurement, and other functions within an NHS acute hospital could improve its performance. It was noted that the work going forward would require a designated Non-Executive Lead. It was agreed that this would be Joan Mulcahy and progress would be monitored by the Finance and Investment Committee.

Following a query at a previous meeting the Committee noted a briefing on overseas patients.

## Recommendation

The Board is asked to **note** the report.

**Joan Mulcahy, Chairman**