

**ITEM: 10/031**  
**Doc: 08**

**Meeting:** Trust Board  
**Date:** 24<sup>th</sup> March 2010

**Title:** **Report from the Audit Committee**

**Executive Summary:** The Audit Committee met on 4<sup>th</sup> March 2010 and was attended by Anna Merrick (chair), Robert Aitken, Edward Lord and Marisha Ray.

A detailed review of the action notes from meetings since January 2009 was carried out. Of the 17 actions outstanding, all but 6 had been implemented. An update on these is included in the attached report, along with 13 new actions arising from the latest meeting in March. (See attachment 1)

Attention is drawn to the following matters referred to in the action notes:

**Board Assurance -1003.9**

The Board Assurance Framework was reviewed and is recommended to the Trust Board subject to some minor amendments. This is a separate item on the agenda. This now completes the 2009-10 BAF and a new version will be drawn up to take account of the 201011 corporate objectives.

**Internal Audit Progress Report – 1003.10**

The Audit Committee registered concerns about three elements highlighted in the internal auditor's report:

- The limited assurance on the sickness absence reporting audit which indicated that HR efforts were hampered by slow responses from departments leading to inaccurate reporting
- Although the payroll audit gave substantial assurance overall, some weaknesses and inconsistencies were identified in the processing of HR data
- The follow-up audit had resulted in the re-iteration of a number of recommendations where management had not provided an update.

**Financial Performance and budgetary control – 1003.13**

Committee members debated the relative roles of the Audit Committee and trust board in challenging financial underperformance and assessing the effectiveness of controls, particularly in relation to accountability for budget management and the identification of efficiency savings.

**Action:** The Trust Board is asked to:

- Note progress on the implementation of actions
- Note areas of Audit Committee concern

<b>Report from:</b>	Susan Sorensen Corporate Secretary
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<b>Sponsor:</b>	Anna Merrick Chairman of the Audit Committee
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<b>Compliance with statute, directions, policy, guidance</b>  Lead: All directors	<b>Reference:</b>  Audit Committee handbook NHS compliance regime
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<b>Compliance with Auditors' Local Evaluation standards (ALE)</b>  Lead: Director of Finance	<b>Reference:</b>  Internal control domain Financial reporting domain
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