

Meeting: Trust Board
Date: 27th July 2011

Title: Report from the Audit Committee

Executive Summary: The Audit Committee met on 14th July 2011 and was attended by Robert Aitken, Jane Dacre, Sue Rubenstein, Anita Charlesworth, Peter Freedman and Marisha Ray. As this was Peter Freedman's first meeting since his appointment as non-executive director and chair of the Audit Committee, and in view of the transition in the scope of the Committee, it had been agreed that Robert Aitken would chair the meeting.

Outstanding actions

Action notes from meetings since November 2010 were reviewed at the meeting. Of the 23 actions outstanding, 11 had been implemented and 12 remained outstanding. An update on the latter is included in the attached report, along with the 20 new actions arising from the July meeting.

Attention is drawn to the following matters raised at previous meetings where the Audit Committee is concerned that further progress needs to be made.

1011.10 Update of Risk Management Strategy to reflect ICO and incorporate reputational risk

It was felt that this work should be completed as a matter of urgency. It was requested that a draft should be circulated for comment in advance of its submission to the next meeting of the Audit Committee in September

1101.11 Potential reputational risk associated with Haringey use of NMUH laboratory for cervical screening

As no one was present to feed back on this, a written report within two weeks was requested.

1105.4 Compliance rate on mandatory training

The Committee was unable to gain assurance that the its requirement for at least 75% compliance in all areas had been taken back to EC. This needed to be confirmed and reported back to the Audit Committee. The variable performance continued to be a matter of serious concern.

1107.12 IT Disaster Recovery Plan (limited internal audit assurance)

A verbal report was received on the need for consolidation of recovery plans relating to IT infrastructure into a single document for the September meeting of the committee, along with updated business continuity plans for all department systems.

1107.16 Implications of the Bribery Act 2010

The local counter fraud specialist had drawn attention to the implementation of the act from 1st July 2011. There was concern that

the trust should be able to demonstrate compliance with best practice. The committee requested a briefing note on action already taken by the executive and a further action plan to meet any gaps in control in order to minimise the risk of bribery.

Board Sub-committee structure

The terms of reference of the newly constituted Audit and Risk Committee were discussed. These had been based on the previous terms of reference, which had reflected recommended practice, but had been amended to take account of the establishment of the Quality and Patient Safety Committee and the revised role of the Audit Committee in relation to assurance on clinical governance, clinical effectiveness, quality and patient safety. Subject to any further refinement following comparison with the latest model terms of reference set out in the DH/HFMA Audit Committee handbook, and a review by internal audit, the terms of reference were approved for submission to the Trusts Board. These are also attached, with changes from the previous ToRs highlighted.

There was extensive discussion on the need to review the fitness for purpose of the new committee structure and in particular the development of the integrated Board Assurance Framework (BAF) and the new architecture for monitoring quality. This should be undertaken taking full account of Monitor's requirements.

Actions agreed were as follows:

- The chairs of the Audit and Risk Committee and the Quality and Patient Safety Committee would meet to align the processes relating to the BAF and the quality architecture.
- There would be a development session prior to the formal Audit and Risk Committee on 15th September to review the draft BAF.
- The agendas of the Audit and Risk Committee for the next 12 month period would be restructured to include a "deep dive" into a selected range of risks at each meeting.

Action:	The Trust Board is asked to: <ul style="list-style-type: none">➤ note the actions arising from the Audit Committee and the areas of concern➤ approve or amend the draft Terms of Reference of the Audit and Risk Committee.
----------------	--

Report from:	Susan Sorensen Corporate Secretary
---------------------	---------------------------------------

Sponsor:	Robert Aitken Acting Chairman of the Audit Committee
-----------------	---

**Compliance with statute, directions,
policy, guidance**

Lead: All directors

Reference:

Audit Committee handbook
NHS compliance regime