

## Whittington Health Trust Board

4<sup>th</sup> June 2014

<b>Title:</b>	Audit and Risk Committee: update to the Board						
<b>Agenda item:</b>	<b>14/108</b>		<b>Paper</b>			<b>12</b>	
<b>Action requested:</b>	For information						
<b>Executive Summary:</b>	To update the Board on the work and recommendations conducted at the May 2014 Audit and Risk Committee.						
<b>Summary of recommendations:</b>	None						
<b>Fit with WH strategy:</b>	The Audit and Risk Committee is a sub-committee of the Board, established to provide the Board of Directors with a means of independent and objective review of financial and corporate governance and risk management. In addition the Committee shall provide assurance of the independence of both external and internal audit.						
<b>Reference to related / other documents:</b>	Previous reports to the Trust Board.						
<b>Reference to areas of risk and corporate risks on the Board Assurance Framework:</b>	Strategic Goal 3: Delivering efficient and effective services (ref 3.1 to 3.12).						
<b>Date paper completed:</b>	21 <sup>st</sup> May 2014						
<b>Author name and title:</b>	<b>Simon Wombwell Chief Finance Officer</b>			<b>Director name and title:</b>	<b>Rob Whiteman Non-Executive Director</b>		
<b>Date paper seen by EC</b>	-	<b>Equality Impact Assessment complete?</b>	N/A	<b>Quality Impact Assessment complete?</b>	N/A	<b>Financial Impact Assessment complete?</b>	N/A



## Audit and Risk Committee update to the Board

### Meeting – 12<sup>th</sup> May 2014

1. The meeting of the Audit and Risk Committee (A&R) held on the 12<sup>th</sup> May was chaired by Rob Whiteman, NED.
2. The Committee reviewed the **Corporate Risk Register**. The Committee feel more work is required on the processes for risk collection, monitoring and reporting. The key was to ensure that risks were managed and presented at the appropriate level in the organisation, with only the most serious risks being discussed at Board level. The A&R requested that more analysis was required to enable the committee to understand the 'risk picture' without the need to review every single risk, but facilitating, by exception, a more focussed discussion. The analysis of risks should include an analysis *by area* (to highlight any hotspots and support moderation) and *by theme*, including how the risks scores change over time (to assess whether risk is assessed as increasing or decreasing and in what areas). It was agreed that the discussion would be shared with the Deputy Chief Executive to be included in the review governance processes across the Trust.
3. **Data Quality**. A&R received a brief on the work started by the Chief Operating Officer on improving data quality. It was agreed that a paper would return to A&R detailing the data quality strategy, data quality dashboard, plans to improve in this area with milestones. The committee recognised that, in addition to moving to a cost and volume based contract, high quality, robust data and information is essential to the successful running of the organisation.
4. **Information Governance Toolkit**. The committee received an honest appraisal of the results of the IG toolkit submission. This highlighted some areas of concern, namely, data quality, records management and IG training. An update on progress will come back to A&R in July.
5. **Board Assurance Framework (BAF)**. A&R discussed the context of the BAF and its importance to the organisation. It was agreed that as the main vehicle for monitoring the delivery of the Trust's strategy that used correctly the documents contents should influence the Board agenda. However, in its current form the BAF was too historic and it was not clear how the 'golden thread' from strategy to individual objectives flowed through the organisation.
6. **Pre-Audited financial accounts 2013/14**. The audit committee reviewed the draft accounts and the following question were raised:
  - 6.1. The note on operating segments should be revisited as women, children and families division was credited a too great proportion of income.
  - 6.2. Further understanding was required regarding the costs shown under hospitality, insurance and legal fees; and an understanding of why the previous year numbers were zero.
  - 6.3. It was noted that figures for staff sickness and absence were still to be completed.
  - 6.4. The committee highlighted the change in Provisions.

- 6.5. The Committee also asked for an update on the process for managing CIPs in the new year given its importance to the successful delivery of the financial plan.
7. The committee also reviewed the draft **Annual Governance Statement** with the following recommendations:
- 7.1. Consider strengthening the paragraph financial risks. Given the financial challenge in 2014/15 the committee asked if the governance structure around CIPs should be strengthened.
- 7.2. The statement appears to omit the links between the board and its subcommittees and the key operational committees.
8. **Internal Audit (IA) Plan, IA annual report and draft Internal Audit Opinion.** IA confirmed that based on its work over the last twelve months the Trust had gained 'significant assurance' around its processes. However there were specific areas of weakness, particularly data quality. The committee requested that the forthcoming contract management (clinical services contracts with CCGs etc) audit, which would include an assessment of data quality, should be the subject of detailed discussion in its planning to ensure adequate time could be given to this important area. Subject to this, A&R approved the 2014/15 IA Plan. This Plan is in line with the previous year and covers financial systems, contracting, cost improvement programme, board governance, risk management, patient experience and bank and agency management.
9. **Counter Fraud work plan.** A&R supported the plan with a particular focus on fraud awareness training and supporting the overseas patient's officer.
10. The committee supported the bad debt write offs and tender waivers as correct.
11. The next meeting of the Audit and Risk Committee is on 4<sup>th</sup> June 2014, to receive the final 2013/14 accounts (financial and quality), statutory returns and reports from the Auditors.

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