

Report to:	Trust Board	Agenda item:	12
Date of Meeting:	9 November 2011		

Title of Report:	Audit Committee Update
Status:	Standing Item
Sponsor:	Moira Brennan, Non-Executive Director
Author:	Elizabeth Poskitt, Head of Financial Services
Appendices	None

<p>Purpose</p> <p>To provide an update on the key issues discussed at the Audit Committee held on 10 October 2011.</p>
<p>Background</p> <p>The report is prepared to inform the Trust Board on the salient issues discussed and agreed at the Audit Committee.</p>
<p>Business Undertaken</p> <p>1.1 The Audit Committee reviewed the following standing reports:</p> <ul style="list-style-type: none"> • Salary Overpayments: the Committee noted that there had been an increase in the number of instances of salary overpayments since the last committee. • Debtor and creditor analysis: there were no significant debtor write-offs and it was confirmed that work was on going with NHS BaNES and NHS Wiltshire in order to reduce the balances owed. The Committee noted the RNHRD balance being much improved. • Waivers and Breaches of Standing Orders: there was discussion about whether there were any trends noted amongst the breaches. It was confirmed that often they are travel and expenses items but a new policy was being devised to address this. • Inter-Assurance Committee Update: the Trust Board Secretary confirmed that there were no areas requiring action and/or review by the Audit Committee. <p>1.2 Consultant Job Planning. The Deputy Director of HR attended the Committee to update on under and over payments to consultants identified as part of the Consultant Job Planning implementation. The committee requested a further update on the resolution of the outstanding balances.</p> <p>1.3 The Interim Head of Clinical Coding attended to give an update on work within Clinical Coding, including confirming that regular meetings between clinicians and coders were now taking place in order to improve recording. A new Head of Clinical Coding has been appointed and will start in November 2011.</p> <p>1.4 The Local Counter Fraud Specialist (LCFS) took the Committee through the</p>

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Fraud Risk Assessment report and provided an update on the on current work. Additionally, the Local Counter Fraud Specialist (LCFS) took the Committee through the Bribery Act Update.

1.5 Internal Audit presented a progress report and highlighted the Internal Audit plan to date. The Committee discussed the following audits: Appraisals, Incident Reporting, Quality Governance and Patient Experience, Millennium Implementation, and Risk Management.

1.6 External Audit presented the Annual Audit Letter 2010-11, noting the following: as part of the financial resilience review in 2010-11 Grant Thornton identified that the 2011-12 QIPP programme is at significant risk of not delivering the required savings. The Trust needs to address the savings shortfall in 2011-12 and develop its medium to longer term QIPP plans for 2012-13 and beyond. To ensure delivery commences in 2012-13. Additionally, the Trust should address the matters raised in the Employment Taxes review.

1.7 The Quality Accounts Report was presented. The following were noted: the Trust should seek feedback from key stakeholders to consider further how it can best communicate the key messages from its Quality Account; the Trust could make more use of comparative information within the Quality Account to better contextualise the Trust's performance; to demonstrate the commitment to continued improvements in care, the Trust should consider reporting stretch targets for indicators where performance is currently above the target for the next year.

1.8 Grant Thornton confirmed that they were to undertake a reference costs audit later in the year.

Key Risks and their impact on the Organisation

Non-delivery of the QIPP plan will have significant impact on the Trust.

Key Decisions

Items in the Historical Due Diligence Stage 2 Action Plan will be managed by the Foundation Trust Steering Group but any issues arising would be brought back to a future Audit Committee as an assurance mechanism.

Exceptions and Challenges

No other issues.

Governance and Other Business

No other issues.

Future Business

The Committee will review the Audit Recommendations Tracker in December. Internal Audit will provide an update on all outstanding actions at the December meeting.

Recommendations

The Trust Board is asked to note the report.