

Report to:	Public Trust Board	Agenda item:	12
Date of Meeting:	26 June 2013		

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

Purpose	
To provide an update on the key issues discussed at the Audit Committee held on 23 May 2013.	
Background	
The report is prepared to inform the Trust Board on the salient issues discussed and agreed at the Audit Committee.	
Business Undertaken	
1.1	<p>The Audit Committee received the following standing reports:</p> <ul style="list-style-type: none"> • Salary Overpayments: the Committee noted that the instances of salary overpayments were 81 for 2012/13, in comparison to 84 for the year before, with the value nearly halving. • Debtor and creditor analysis: the Committee reviewed the report and discussed the level of English non contract activity debt outstanding and the actions taken to reduce this. • Waivers and Breaches of Standing Orders: the Committee noted that the average breach percentage for 2012/13 was 0.23% of non-pay requisition expenditure compared to 0.47% for 2011/12.
1.2	The Committee discussed new guidance which states that from March 2013, any employment tribunal case to be settled with a special severance payment at judicial mediation must now be approved in advance by the HM Treasury.
1.3	Following papers to the previous two Audit Committees, there was an update on the Trust's arrangements for auto-enrolment, confirming that the Trust was now able to take the Transition route which postpones auto-enrolment for all employees eligible on 1 May 2013.
1.4	The Local Counter Fraud Specialist (LCFS) took the Committee through the Counter Fraud Annual Report and highlighted work carried out in 2012/13. In addition, the Fraud Survey Report was presented, items on local proactive work and information from NHS Protect.

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- 1.5 Internal Audit presented full audits on Risk Management, QIPP, and SLM, in addition to summary reports on HR, IT, and Sustainability. Additionally, the Annual Report, including Head of Internal Audit Opinion, was presented and the Committee discussed the findings and actions from 2012/13. The Committee approved the Internal Audit Plan for 2013/14.
- 1.6 External Audit presented a review of the QIPP programme, following up work undertaken earlier in the year. A number of actions were identified to be taken forward.
- 1.7 The Losses and Special Payments register for 2012/13 and the Letter of Representation were discussed and approved.
- 1.8 The Annual Accounts for 2012/13 were presented noting the achievement against the Statutory Breakeven Duty of £9.2m, thus completing repayment of the legacy debt. The Committee recommended that the accounts were approved by the Trust Board on 29 May 2013.
- 1.9 External Audit presented Annual Report to those charged with Governance, confirming the Audit findings for 2012/13 and highlighting minor amendments which had been actioned to the Annual Accounts. Additionally, External Audit presented a review of the Trust's arrangements for securing financial resilience, which concluded that found that the Trust had adequate arrangements in place to ensure financial resilience.
- 1.10 The Annual Report, which had previously been reviewed by Executive Directors, Non-Executive Directors and external Audit, was presented and approved subject to minor amendments.
- 1.11 The Committee received the PbR Data Assurance Framework Annual Audit Report and discussed the improvements made in inpatient coding but noted that further work was necessary in outpatient coding.

Key Risks and their impact on the Organisation

Reports from both internal and external audit highlighted the achievement of QIPP in 2013/14 as a key risk.

Key Decisions

The Committee:

- Reviewed and approved the Internal Audit Plan for 2013/14;
- Reviewed and recommended Trust Board approval for the Annual Accounts;
- Reviewed and approved the Annual Report;
- Reviewed and approved the Losses and Special Payments register for 2012/13;
- Reviewed and approved the Letter of Representation.
- Approved the Audit Committee Work Plan for 2013/14

Exceptions and Challenges
No other issues.
Governance and Other Business
No other issues.
Future Business
In line with the Committee's work plan.
Recommendations
The Trust Board is asked to note the report.