

Report to Trust Board Date 27 January 2010 Agenda item 10.1

Title	Report from the Audit Committee, meeting 19 January 2010		
Author	Trust Board Secretary		
Presented by	Chair of Audit Committee		
Classification	Decision, assurance, information		
Purpose	Report from Board sub-committee, required by standing orders		
Action required	To note the assurances/ information received		
Impact assessment	The report outlines the assurances received by the Committee and the areas where the Committee considers that there are risks.		
- quality			
- financial			
- business			
- equality/diversity			
- risk			
- legal/statutory			
Relevant Standard for Better Health		Y	N
C2 Safeguarding Children	Describes a lapse		N
C7a&c- Governance	Provides evidence	Y	
C7b Openness & Probity	Demonstrates Assurance	Y	
C19 Finance			
Conformity to previous decision/ policy	Last report to a Board meeting was an oral report in November 2009		

1 Assurance Framework and Risk Register.

These were reviewed and form separate agenda items.

2 Review of Standing Orders, Standing Financial Instructions, Reservations of Powers and Scheme of Delegation

The Committee noted the EMG's decision to halve the delegated authority levels for expenditure and agreed that this was a necessary action to achieve the financial turnaround plan.

3 IFRS

The Committee noted the impact of the IFRS fixed asset revaluation for 2009/10 and the possibility of a credit to the Income and Expenditure account equivalent to the amount charged under IFRS in 2008/9.

4 External Audit

The Committee welcomed Paul King, the new Engagement Lead. The work proposed for the audit of the financial statements for 2009/10 was approved. The Committee noted the specific risks identified around the asset register and capital accounting and asked the officers to make sure outstanding issues were resolved in good time. Progress to date with introducing the new asset register was disappointing. The Committee stressed the

importance of ensuring that everything necessary was carefully timetabled. The Annual Report for 2009/10 had to include a quality report, and comments on that obtained from local stakeholders (as previously had been required for the standards for better health declaration). It was not yet clear how quality reports would be audited.

5 Internal Audit

The Committee noted that RSM Bentley -Jennison had merged with Tenon to become RSM Tenon. Existing staff would continue to provide the service to the Trust.

The committee noted that three internal audit reports had been finalised since its last meeting - Standards for Better Health, Income & Debtors and Creditors. All had given substantial assurance with just one 'merits attention' recommendation in relation to Income & Debtors. There were five reports in draft, and the Committee would encourage those managers who have not yet responded to draft reports, particularly those on safeguarding children and performance management, both of which give adequate assurance, to do so, to keep the work programme on track.

The committee discussed a first draft of the internal audit strategy for the next three years, and made suggestions as to what areas should be included. The final version will come back to the committee's next meeting for approval.

6 Counter- fraud

The Committee received a progress report. There were no new investigations to report.

6 Losses and compensation.

The schedule was approved.

Confirmed minutes of the November and December meetings are attached for information.

Ian Pickering, Chair, Audit Committee

19.1.10