

'You matter, we care'

Trust Board Meeting (Part 1)	Date: 25 June 2014
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Title:	Annual Report of the Audit and Risk Committee
Item:	BD/14/080

Executive Director lead and presenter	Sue Hall, Director of Resources
Report author(s)	Hannah Dennis, Corporate Governance and Risk Manager

History:	<i>Executive Team, 17 June 2014</i>
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This report is for:	
Decision	X
Discussion	
To Note	X

The following impacts have been identified and assessed in relation to this report:	
Equality	None identified.
Quality	None identified.
Privacy	None identified.

Executive Summary
<p>This report summarises the work of the Committee during 2013/14, and assures the Board that the Committee has met it's Terms of Reference and delivered its delegated responsibilities.</p> <p>The Trust completed an evaluation of the work of the committee in March which has identified a series of recommendations that are recognised and have been agreed by the Committee.</p> <p>The Board are recommended to note the report and approve the attached Terms of Reference for the Committee.</p> <p>Appendix A – Terms of Reference Appendix B – 2014/15 Work Plan</p>

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This report addresses these Strategic Priorities:	
We will deliver the best care	X
We will support and develop our staff	X
We will continually improve what we do	X
We will use our resources wisely	X
We will be future focussed	X

Annual Report of Audit and Risk Committee to Trust Board

1. Purpose

Committees are the Board's key assurance providers, with Non-Executive Director representation providing an independent, challenging perspective in discussion. Good governance is about effective leadership. To effectively lead, our Committees must be given the right tools to review and challenge management activity and to approve or decline to support proposed action.

The Committee is responsible for the independent and objective review of financial and corporate governance, assurance processes and risk management. It oversees the preparation of the annual accounts, report and quality account, as well as maintaining oversight of audit activity throughout the Trust.

The Chair of the Committee reports verbally and by written report to the Board on a monthly basis. The Committee can horizontally report to other Board committees any matters of relevance to those committees for their consideration, it can escalate matters to the Board and can require working groups or LDUs to report specific actions to the Committee.

The purpose of this report is to advise the Board of the work undertaken by the Committee during 2013/14, informed by the outcomes of the Committee self-evaluation and subsequent recommendations for improvement made based on best practice.

2. Attendance during 2013/14

2.1. Member and Executive Director attendance

The Committee met on the following dates during 2013/14:

- 23rd April 2013
- 3rd June 2013
- 15th August 2013
- 25th October 2013
- 13th February 2014

The Audit and Risk Committee has a wholly Non-Executive membership, with Executive Directors in attendance as Committee business dictates. The attendance of members throughout the year was recorded as follows, with a total of 5 meetings held:

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Name	Role	Attendance
Tony McNiff	Chair, for full year	5/5 meetings
Tony Gallagher	Non-Executive member, from April to November 2013	1/3 meetings
	In attendance, as Chair of the Trust	1/2 meetings
Peter Greensmith	Non-Executive member, from April to July 2013	1/2 meetings
Peaches Golding	Non-Executive member, from August 2013 to present	2/3 meetings
Hayley Richards	Medical Director, in attendance	4/5 meetings
Hazel Watson	Director of Nursing, from April to November 2013, in attendance	2/4 meetings
Alan Metherall	Acting Director of Nursing, from December 2013, in attendance	1/1 meetings
Kristin Dominy	Director of Operations, in attendance	4/5 meetings

Representation from External and Internal Audit was seen at every meeting, and from the Local Counter Fraud Specialist at 3 of the 5 meetings.

3. Summary of Business

The Committee has undertaken its core business throughout 2013/14, maintaining oversight of the following:

- Risk Management, including risk registers and assurance framework
- Internal Audit
- External Audit
- Local Counter Fraud work
- Annual Report and Accounts
- Quality Account
- Emergency Preparedness, Resilience and Response (EPRR) Audit
- Financial Management
- Policy Management
- Information Governance

The Committee took an active role in overseeing the implementation of audit recommendations and its interest in this area has resulted in an improvement in the Trust implementing these in a timely manner and reporting subsequent strengthening of controls applied in areas of risk. Progress to complete work plans was reported throughout the year by Internal and External Audit and by the Local Counter Fraud Specialist, and the Committee signed off the annual report, accounts and quality accounts as an accurate and true representation of the position of the Trust in June 2013.

During 2013/14 the Committee also oversaw development in the Trust's risk management arrangements and provided assurance to the Board on the robustness of these, as well as its other areas of responsibility, through regular Chair reporting to Board.

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4. Committee Self-Evaluation

4.1. The Role of the Committee

The evaluation confirmed that members and attendees agreed that the Committee is operating in line with its Terms of Reference and meeting its objectives.

There is further work to be done on the reliability of assurances relied upon Trust-wide and by the Committee. This has made significant progress already during the first two months of 2014/15 and will continue throughout the year.

4.2. The Role of the Chair

It was recognised that Committee meetings are well run and agenda items are given the consideration they require.

4.3. Membership, Independence, Objectivity & Understanding

It was recognised that the membership (two Non-Executive Directors) was appropriate for the Committee but, it was recognised that Executive Director attendance is critical to Committee business and regular attendance is fundamental.

Through the evaluation of the Committee it was highlighted that the working relationship between the Audit and Risk and Quality and Standards Committees was not clearly defined in their Terms of Reference. There has been horizontal reporting of issues between the Committees but this can be developed further. The Terms of Reference for both Committees have therefore been updated to clarify this relationship.

4.4. Skills

No concerns were raised in relation to the skill mix of the membership of the Committee.

4.5. Committee Support

It was noted that the declaration of interests needs to be a standing agenda item on every Committee agenda. This has been added to all agendas from April 2014.

Feedback on minutes of meetings was that these were at an appropriate level of detail, and accurately reflected discussions taking place.

5. Chair's Reporting

The Committee Chair provided a report to the Trust Board following each meeting of the Committee highlighting business discussed, issues raised and positive outcomes reported, providing assurance to the Board throughout the year.

6. Recommendations

6.1. Evaluation recommendations

The Committee will incorporate actions to address recommendations identified through the evaluation process in its work plan for the year.

6.2. Terms of Reference

The Terms of Reference of the Committee have been updated to reflect changes to membership, and to make clearer the working relationship the Committee has with the Quality and Standards Committee.

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6.3. Overall recommendation

The Board is asked to **note** the report and work plan for the Audit and Risk Committee for 2014/15.