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'DWH RI 0HHWLQ	12 th April 2018	

5 HSRUW 7LWOH	Audit Committee	'DWH	19 th March 2018
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7KH IROORZLQJ SRLQWV DUH UDLVHG IRU %RDUG QRWLQJ
7KH VLWXDWLRQ UHJDUGLQJ WKH 7UXVW\ V JRLQJ FRQFHUQ VWDWXV DQG WKH UHVSHFW RI ILQDQFLDO VXVWDLQDELOLW\ DQG VHSDUDWHO\ IRU XVH RI UHVRXUFHV 7KH RQJRLQJ LQYHVWLJDWLRQ LQWR DQ DOOHJHG IUDXG E\ WZR DJHQF\ QXUVHV

The following is a summary of the discussion in the meeting and is not intended to act as a formal record of the proceedings.

The committee reviewed notes from the Finance Director and BDO regarding planning and assumptions for the completion of the 2017/18 accounts and annual report. Overall, the plan was well advanced and articulated and the committee took assurance that the process would complete effectively. A small number of specific points were raised for management to consider in their

this had been dealt with in the more appropriate setting of the Clinical Governance Committee

- The report of the audit of financial accounting found this function well managed and scored substantial assurance, with no significant improvement actions noted. The committee congratulated the Finance Director on this outcome and asked that the relevant Finance team should be notified of this.
- The remaining reports covering serious incident investigation action planning implementation, debtors, creditor payments, Odstock Medical and payroll were all scored as reasonable assurance. The committee discussed some of the specific action plans relating to these audits.
- The report on coding accuracy continued to show a good outcome. There were small number of relatively minor discrepancies found in the sample tested from Trauma and Orthopaedics, but none for the samples taken from Ear, Nose and Throat, nor for Urology. There was some discussion regarding audit methodology, but generally the committee were happy to take assurance from this report.

The main point of discussion from the report from the Local Counter Fraud Officer's report was the uncovering of an alleged fraud perpetrated by two agency nurses regarding claims of attendance on specific shifts. The investigation is not yet complete, but one of the alleged perpetrators has been interviewed under caution and the LCFO felt it appropriate to update the committee at this point. The LCFO stated that there was strong evidence that the person interviewed had indeed fraudulently claimed payment for shifts not attended and the matter is being passed to management for a decision as to how to proceed. The committee noted the progress report, but clearly the process is not yet at a point where further discussion by the committee would be helpful. However, there was some

discussion as to what these incidents might tell us regarding the effectiveness of the controls within the Trust regarding time recording and creditor payments, both of which had been recently reviewed and found to have reasonable assurance through internal audit testing. Management were asked to be prepared to discuss these aspects of controls at a more appropriately time at a future committee meeting.

The committee then went into a private session to discuss some points raised by the chair on observations regarding the overall state of effectiveness of management control and what role the committee might play in future in assisting the CEO and executive team in moving forward with their plans for change in the running of the Trust. The debate was very positive and actively participated in by all present. The discussion largely revolved around a definition of the key points of focus that needed to be addressed and the opportunities for better communication from the executive team as to objectives and milestones to give the committee a focus for future reviews. The CEO was clear that this needed to be seen as strongly linked to the Board and senior management development programme recently launched, which was accepted by all. The CEO and FD committed to coming back to the committee with some more detailed responses to the points raised at a future meeting.