

Chair's Report: Audit Committee

Date of Meeting	8 March 2016
Chair	Sheenagh Powell

Areas of note from the Committee Discussion

The Audit Committee(AC) met on 8 March 2015

The AC received reports on the self assessment surveys on the effectiveness of the AC itself and also the effectiveness of the internal audit and counter fraud services (CFS). There are minor action points to implement in the light of these surveys as overall the results were satisfactory.

The AC considered for approval the draft plans for internal audit and counter fraud service for 2016/17. The CFS plan was approved and will cover areas reflecting the NHS Protect Standards of Strategic Governance, Inform and Involve, Prevent and Deter and Hold to Account. The internal audit plan was referred back to the management team to further consider including work on QIPP assurance. The plan will be recirculated and agreed virtually.

The month 9 draft accounts, which were submitted to NHS England in February, were received and noted by the AC. The draft head of internal audit opinion was submitted at the same time. This provided significant assurance however it included a caveat recognising the financial position of the organisation. The final head of internal audit opinion, which forms part of the governance statement, is required earlier this year, by the 22 April 2016, which is the date of the unaudited accounts submission. This will be considered by the AC beforehand.

The AC considered a detailed paper outlining for agreement the case for producing the accounts for 2015/16 on a going concern basis. This was agreed in line with accounting guidance on the basis that services will continue despite organisational viability.

Other internal audit matters:

The AC followed up on the Partnership Commissioning Unit (PCU) audit on financial reporting. This had been requested urgently in light of the volatile expenditure reporting experienced by the CCG mid year. Concern was expressed on the length of time it was taking to receive the report. The draft, it was assured, was due in the days following the AC.

Of concern was the receipt of two limited assurance audit reports.

The first related to Quality Improvement. The chief nurse attended the AC with regard to the report and agreed with the findings. She stated that whilst much had been done with regard to the Quality and Performance Sub Committee with York Teaching Hospital NHS Foundation Trust, there was more work to do.

The second related to Management of Commissioning of Aftercare under Section 117 of the Mental Health Act. The AC asked that members of the PCU are asked to attend the AC to discuss this and the PCU financial report when it is issued.

The AC also requested that when limited assurance reports are issued they should be sent to members of the audit committee straight away rather than wait for the next committee meeting.

A third audit report regarding the Management of Conflicts of Interest was given significant assurance.

The AC received an update on the potential merger, which is now at due diligence stage, of the West Yorkshire Audit Consortium and the North Yorkshire Audit Service.

Areas of escalation

The Audit Committee would like to highlight to the Governing Body the following:

The two limited assurance audit reports as outlined above.

The procurement of an external audit provider is due to be completed before the end of 2016 to begin to provide services from the 2017/18 financial year. The contract with Mazars will finish at the end of 2016/17. Work continues on the process for procurement with further guidance from NHs England being recently received. Further updates will be provided to the Governing Body throughout the process.

Urgent Decisions Required/ Changes to the Forward Plan

None.